

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

MINUTES of the 40th ANNUAL GENERAL MEETING held on
Monday, 17 July 2023 at 2.00 pm at Morrison House and by Zoom

PRESENT: Mrs A Sinclair (Chairperson), Mr I Young (Vice-Chairperson),
Mr D Clapham, Mr Iain Lewis, Mr G Morgan, Ms L Williams,
Ms E Johnston, Mr R Brown, Mr R Muir, Mr R Nairn,
Mrs I MacLeod, Mr G Gormal, Mr R Liley, Miss F Duguid, Mr N
MacLean, Ms L Richards, Ms L Kirkwood, Mrs M Gillies, Miss J
McNaughton, Mrs M Gillies, Mrs M Palmer, Ms M Hannah
(Citizen's Advice Bureau), Ms L Hellon
Proxy forms: Mr R MacKinnon, Ms G Sherwood.

IN ATTENDANCE: Neil Clapperton (Chief Executive).
Jennifer MacInnes (Corporate Services Assistant)

APOLOGIES: Mr D Fergusson, Ms M Drysdale, Mr J Davidson, Mr D
MacKenzie, Mr T Harvey, Mr J Campbell, Crossroads Care, Mrs J
Millington, Mrs J Turkington, Mrs M Douglas, Mr J Finlayson, Ms G
Sherwood, Mr R MacKinnon, Mr K Wong, Ms H MacPherson, Mr
H MacDonald, Mr D Gillies, Mrs S Fenlon, Mr W Matheson, Ms J
Masson, Mr J Lamont, Ms L MacIntosh, Mr I MacKenzie, Mr D
Campbell, Mr J Ellis, Mrs P Simmister, Mr L MacDonald, Mrs A
MacSween.

2. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (18 JULY 2022)

The Minutes had been circulated previously and were moved for adoption by
Roger Liley, seconded by Robin Nairn and approved unanimously.

3. CHAIRPERSON'S REPORT

The Chairperson welcomed the members to the 40th Annual General Meeting of
the Association and gave the following report:

My report will cover the period 1 April 2022 to 31 March 2023 but I would like firstly
to highlight this significant milestone in our journey as an association. LSHA has
transformed from the small niche social landlord of the 1980's complementing
council housing to being the main provider of affordable homes in Skye and
Lochalsh. It was 1985 before we took possession of our first houses in Glendale
and we plan to celebrate the 40th anniversary of that important moment.

Returning to the year just past, both the Association and its tenants faced very
tough financial times. Having successfully coped with the pandemic, 2022 saw
rampant energy price rises making heating unaffordable to many, and persistent
high inflation across essential goods not least food. Aware that our tenants were
taking the full brunt of the economic turmoil, the Association and its Energy Advice

and Tenancy Sustainment services found ways to help. The most impactful thing we did was to invest in tenant fuel cost reduction. We also helped some tenants directly by giving them money towards their bills.

Each location within our estate has its own energy challenges and unique circumstances, so with input from both our Energy Advice Service and our technical staff, we started to build up a picture of what each one needs. We worked on options to reduce costs by changing how we heat our homes, with five pilot projects started in 2022. We invested in more efficient heating systems such as heat pumps where that was appropriate. A lot of work is still needed, as we continue our efforts into 2023-24, and this remains a top priority. With the cost of living crisis, we agreed an annual rent increase of 3% below inflation. Our running costs were trimmed to make this happen. With the current economic trends, we must continue to look to maximise efficiency to protect services and secure our affordability for tenants.

In response to concerns raised by our communities and strategic partners such as NHS Highland about a lack of housing for those coming to work in the area, we worked with SkyeConnect to survey employers on the economic need for affordable housing. The evidence was clear, with up to 1,400 new homes needed to recruit and retain staff in the area, and build for the economy. Both Government and the Association are now committed to action. In practical terms we increased the housing provided for NHS Highland and other key public agencies to help them ensure that services were available for our tenants and communities.

Another way the Association responded to the needs of communities was to open up a debate about its role in addressing the particular needs on Skye and Lochalsh, including health, fragile settlements, and also the Gaelic community. This is just the start but shows that our role is very diverse and challenging.

With such a demand for new housing, it is worth celebrating the Association's success in continuing to build in difficult financial times. We completed 26 new homes during the year in Staffin Road, Portree and at Campbell's Farm, Broadford. This took our total stock to 871, of which 788 are affordable rent and 83 shared equity. We had 55 new homes under construction at the end of March 2023, none of which were in Portree but across the area, including Raasay and Dornie.

A number of respected and valued members of staff have retired in the last year or left to seek new adventures. These include Iain McIvor – Director of Investment, who was with the Association for nearly 30 years; from Technical Services John Edward Lumley – Electrician, Gregor MacDonald – Joiner; also Paul Denham – Property Modernisation Officer and Alison Taylor – Corporate Services Manager. This is a significant turnover for a small organisation. We have also welcomed some new faces: James Swinnerton – Development Manager, Iain MacKinnon – Technical Assistant and Helen Brown – Corporate Services Manager.

The Board experienced quite a change as well. We lost Biz Campbell, Steven Proudfoot and Faye Thomson. After a successful recruitment campaign nine new members joined bringing diversity and new skills and experience to the Board including an all-important tenant perspective. The new Board members are Donnie Fergusson, Robin Nairn, Robin Sarkar, Emma Johnston, Gareth Morgan, John Watson, Rory Brown, Ken Wong and Robert Muir.

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

Turning to the good work that LSHA does through working with others, last year was a turning point for our Care and Repair, and Handyperson Services. Having lost a much loved colleague in Donnie Martin, we moved one of our most experienced managers, John Lamont to run Care and Repair because we recognise its importance to the more vulnerable members of our community. Similarly, recognising how vital Handyperson Services are to NHS Highland, keeping people safe in their own homes and improving quality of life for many households, not to mention saving huge sums for the public purse, the Association persuaded NHS Highland to review its relationship with us and potentially extend what we do.

We should also acknowledge the great work done at the heart of our Association. 2022-23 continued to be a busy year in Housing Services with 56 changes of tenancy. Of those we housed, 99% were already living in Skye and Lochalsh, with three quarters of these for more than 5 years. Property and Technical Services continued to deliver repairs despite a depleted workforce and the serious challenges of finding new staff in an inflated job market. Finance delivered an excellent Annual Audit in 2022, with no audit findings of any concern to the Association and our Financial Statements are, once again, unqualified. We shall provide further details on the performance of all our Services in our published Annual Report.

All in all, it has been a challenging but exciting year for everyone connected to the Association. I shall finish with some thanks - to our tenants for their understanding and appreciation of the services provided by the Association when they face so many personal pressures; to all the staff whose efforts enable the Association to continue to function so well, and 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.

On a personal note, this is my fifth report as Chairperson and therefore it is my last. It has been a privilege to hold this post and my thanks to all Board and Staff members, both past and present, who have supported me and made my time as Chairperson so memorable. I have no plans to leave the Board for the foreseeable future. I wish my successor well as the Association grows from strength to strength.

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

Our Report and Financial Statements were considered and approved by our Board on 26 June 2023 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.

➤ **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, and
Communities Housing Trust.

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 £0.3m from £5.38m to £5.68m
- Operating Expenditure increased by £0.12m from £4.67m to £4.79m.
- Operating Surplus increased by £174k from £714k to £888k.
- Interest receivable increased by £7.9k.
- Interest and financing costs increased by £271k from £552k to £823k.
- Net Surplus for the year decreased by £91k from £163k to £72k.
- As the Association is a Charity there is no taxation due on the surplus.
- “Other Comprehensive Income” includes a loss adjustment of £274k which relates to actuarial losses in respect of the pension scheme.

➤ **Page 15**

Statement of Financial Position

- Fixed Assets have increased from £81.1m to £85.8m.
- Current Assets amount to £3.9m of which £3.4m is cash and cash equivalents.
- Total Assets Less Current Liabilities have increased from £80.5m to £86.8m.
- Long-term Liabilities, which include loans and deferred housing grants, have increased from £74.2m to £80.5m
- Net Assets have decreased from £6.28m to £6.01m represented by:-

Share Capital

£98

Income & Expenditure Reserve £6,074,692

- 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 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 2023-2024 was approved.

6. **Election of the Board**

Mrs A Sinclair, who had filled a casual vacancy during the year, handed the chair to the Ian Young, Vice Chair, to manage elections to the Board.

In accordance with the Rules, three members of the Board were due to retire in rotation and these were:

Mr Iain Lewis
Mr David Clapham
Mrs Liz Williams

All three members had indicated that they were willing to continue as Board members and were automatically re-elected.

Mr K Wong and Mr R Sarkar had indicated they no longer wish to remain on the Board.

Mrs A Sinclair, who had filled a casual vacancy during the year, was also elected.

The following Members were appointed as co-opted members during the year and were also willing to stand for election and as the Association's Board did not exceed the 15 members allowed they were also automatically elected:-

Mr R Muir
Mr R Brown

Mr I Young passed the chair back to Mrs A Sinclair to conclude the meeting.

There being no other competent business, the meeting closed at 2.20 p.m.

Chairperson

Ian H. Young