

ATRIUM HOMES

Minutes of Meeting of the Board held on Tuesday 26 March 2024

At 6:00 p.m. via Zoom

Present: Alistair Reid, Carolyn Hope, Joe Keen, Ken Tudhope, Steven Fraser, Julie Templeton, Maureen Gimby, Craig Leitch, Dominic O'Donnell, Alan White, Ron Sharpe

Attending: Joyce McCroskie (Director of Operations, DoO), Barry Lees (Director of Investment, DoI), Shannon Watson (Chief Executive, CX)

Chair: Alistair Reid

The Chair opened the meeting asking everyone to confirm that they had read and understood the papers which had been circulated via DropBox the week prior to the meeting.

The Chair confirmed that the meeting was quorate.

Confirmed

Item	
1	Apologies
	None
2	Declarations of Interest
	SF noted an interest in item 9 due to being a factored owner. Staff noted an interest in item 13.
3	Minutes of Meeting on 27 February 2024
	The minutes of the meeting of the Board held on 27 February 2024 were reviewed and approved. <i>Approved for publication</i>
4	Matters Arising
	a) Board noted the updates given on actions arising from previous meetings, and progress made to date. The Board member whose PDR form has not yet been returned as final was reminded to return this as soon as possible. Board agreed the closure of the item relating to the potential risk of RAAC in our tenants' homes, and noted that an update had been submitted to SHR within the required timescales. <i>Noted</i> b) Board noted that Atrium is up to date with all compliance requirements. <i>Noted</i>
5	Applications for membership
	Board noted that applications for membership received from eight individuals who were tenants of Atrium Homes were put to the meeting, and the Board approved these. <i>Approved</i>

6	Final Budget for 2024/25
	<p>Board considered the contents of the paper. Draft Budgets had been presented to Board in November 2023, and again in February 2024. Board noted that the decision on the cost of living increase pay award would be discussed at item 13.</p> <p>The Finance, Audit & Staffing Sub-Committee (FASSC) had met on 13 March 2024 to review and approve the final updates to the budgets which were now recommended to Board for final approval. The paper includes a note of the financial impact of changes which had been made to the figures each time the budgets were revised. FASSC members noted that there had been a robust discussion of the numbers in the budgets at this meeting.</p> <p>Board noted the detail of changes to the budgets and the reasons for them, as well as the information provided on specific items which have not been included in the budgets due to uncertainty on costs and future activities.</p> <p>A Board member requested clarification on the reasons why the EWI works being pulled forward would give rise to a change in depreciation costs and it was confirmed that the costs would be treated as capital costs since the works would significantly enhance the fabric of the homes. A Board member asked about the allocation of grant for this project; management confirmed that if the grant was not approved, the EWI works might not progress due to the cost per property of the proposed works.</p> <p>Board considered Atrium's continued compliance with lenders' covenants in the budgets presented, and the level of additional borrowing which will be required to meet the organisation's current programme of improvements to tenants' homes over the course of the thirty year plan.</p> <p>Board considered the sensitivity analysis which had been prepared and also noted the report from the external treasury advisor in which the model and the assumptions used therein had been considered for reasonableness. Management confirmed that this was the first time an external review of the budgets had been carried out by an external advisor.</p> <p>Board noted that the outcome of the review was positive and so provided additional assurance to Board of the appropriateness of the budgets it was being asked to approve. Board was therefore content to approve the budgets presented to the meeting, subject to the outcome of the decision to be made at item 13.</p> <p style="text-align: right;"><i>Approved subject to the decision at Item 13</i></p>
7	Draft Internal Management Plan for 2024/25
	<p>Board considered the contents of the paper and the draft action plan presented to the meeting for approval.</p> <p>Board asked management to consider whether highlights of this might be shared with tenants to give them some detail on the work that will be undertaken by the team during the coming year.</p> <p>Clarification was sought on a number of matters and Board confirmed its approval of the draft internal management plan.</p> <p style="text-align: right;"><i>Approved</i></p>

8	Insurance Update
	<p>Board noted the content of the paper with the update on the current insurance market together with the premiums for the coming year. In particular Board noted that an alternative quotation for cover had been obtained by the brokers which, due to the terms of the policy, was not more economically advantageous than the premiums quoted by the existing insurer.</p> <p>It was noted that the increased cost of insuring tenants' homes was being reported as a sector-wide issue with many RSLs experiencing significant cost increases.</p> <p>CX noted that the brokers would be presenting an update to Board on the insurance market during 2024/25, and Board confirmed that management should seek high level indicative quotes from others in the market ahead of the insurance renewals in April 2025.</p> <p style="text-align: right;"><i>Noted</i></p>
9	Atrium Initiatives Limited
	<p>a) Board noted the draft minutes of the meeting of the Board of Atrium Initiatives Limited on 5 March 2024, and it was confirmed that these were a true record of business discussed at that meeting.</p> <p>Board noted the financial results of the company for the nine months ended 31 December 2023 which had been reported to that meeting and the continuing work in respect of debt management for the factoring services.</p> <p style="text-align: right;"><i>Noted</i></p> <p>b) Board considered the draft Business Plan and Budgets for 2024-29 and approved these for finalisation.</p> <p style="text-align: right;"><i>Approved</i></p>
10	Strategic Risks – emerging risks and changes
	<p>Board considered the current strategic risk register which has been included in the papers for the meeting.</p> <p>No additional risks were noted as being required to be recorded on the register and no changes were required.</p> <p style="text-align: right;"><i>Noted</i></p>
11	Health & Safety (Standing Item)
	<p>Dol confirmed that there were no new matters to report to the meeting.</p> <p>With respect to the recall of boilers manufactured by Ideal advised on 27 February, Dol confirmed that the risk to tenant safety is considered to be low (reported 1 in 10,000 risk of fire in boilers where the pressure drops below the specified level). All affected tenants have been contacted and a plan is in place for the necessary repairs to be completed on the boilers. In the interim, Atrium's contracted gas engineers are visually inspecting all affected boilers to ensure the pressure is at safe levels.</p> <p style="text-align: right;"><i>Noted</i></p>
Staff left the meeting at 6:30 p.m.	
13	Cost of Living Increase Pay Award for 2024/25
	Board carefully considered what would be best for the business while rewarding staff for their dedication to the organisation.

	<p>Board looked at the inflation rates experienced by the business, its customers and staff in the past twelve months which has averaged 6.3%. They noted that inflation had started to fall from April last year and that it had fallen to 4.6% in October 2023 and has remained below 4% since then. It is hoped therefore that the turbulent economic environment we have been operating in over the past two years is calming down.</p> <p>Board considered Atrium's increasing costs like our HFF21CLS works going up by 7%+ this year, increasing reactive repair costs over the past two years, and the fact that our insurance costs have gone up by almost 50% for the new financial year.</p> <p>Taking all of the above into account, Board decided that the level of pay award that the organisation can award is 5%.</p> <p>In addition to this, Board also considered the fact that we did not automatically replace a small number of staff members who left during the year, and so staff had pitched in to pick up tasks which were essential to providing services to our customers and keeping them in successful tenancies. In recognition of this, Board agreed to award all staff members a one-off non-consolidated payment of £250 each.</p> <p>Board agreed that the final budgets considered at item 6 above would not require to be amended to reflect this decision.</p> <p style="text-align: right;"><i>Approved</i></p>
	Staff re-joined the meeting at 7:28 p.m.
12	Any Other Competent Business
	<p><u>Retirement of Board Member</u></p> <p>JK advised that after nearly nine years as a member of the Board, he was having to retire due to personal reasons. All members of the Board and the management team thanked JK for his dedication to supporting the Atrium Group and for the many hours committed to protecting the interests of customers and staff.</p> <p style="text-align: right;"><i>Noted</i></p>
14	Date of Next Meeting – Tuesday 30 April 2024 at 6:00 p.m. via Zoom
	The meeting closed at 8:00 p.m.

Chair:

Date: 30 April 2024