

ATRIUM HOMES

Minutes of Meeting of the Board held on Tuesday 28 March 2023

At 6:00 p.m. at 14 Central Avenue and via Zoom

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

Attending: Shannon Watson, Chief Executive (CX)

Chair: Joe Keen

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.

Confirmed

Item	
1	Apologies
	Ken Tudhope, Julie Templeton
2	Declarations of Interest
	Staff attending declared an interest in item 17
3	Minutes of Meeting on 28 February 2023
	The minutes of the meeting of the Board held on 28 February 2023 were reviewed and approved. <i>Approved for publication</i>
4	Matters Arising
4.a	Board noted the updates given on actions arising from previous meetings, and progress made to date. Board discussed the potential reasons for the difficulty in recruiting to the empty post and CX noted that the responsibilities of the post had been written to be wide and that this was potentially why it was difficult to recruit to. CX was asked to arrange the stock tour for Board members for May / June. <i>Noted</i>
4.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 four individuals were put to the meeting and the Board approved these. <i>Approved</i>
6	Request for Leave of Absence
	Board noted that a Board member had requested a leave of absence until after June 2023 for personal reasons and were happy to approve this. <i>Approved</i>
7	Eviction Approval
	Board considered the information provided regarding the proposed eviction of a tenant. It was noted that substantial efforts had been made to contact the tenant and support them to pay their rent debt, and that the decision to evict was not taken lightly. Board approved the proposal to commence eviction proceedings. <i>Approved</i>

8	Final Budget for 2023/24
	<p>Board noted the schedule of changes to between the draft budget presented in February 2023 and the final version presented to the meeting and noted that the largest change was the reduction in the property insurance renewal premium for 2023/24. CX noted that since the budgets had been finalised, the Bank of England had again raised the base rate on 23 March. CX noted that, should the cost of borrowing rise to 4.75% in 2023/24, this would reduce Atrium's surplus for the year by £51k, and might have a knock-on effect to later years as the cost of borrowing might stay higher for longer than originally budgeted. CX noted that there was sufficient headroom in the proposed amended Interest Cover Covenants to accommodate this cost increase.</p> <p>A Board member asked whether Atrium would be paying interest on borrowings which the organisation did not need in the short term and CX noted that the drawdown of the new £6m facility was budgeted to take place in March 2025, with RBS open to a two year drawdown window for this loan.</p> <p>CX noted that proposed relaxation of the RBS Interest Cover Calculations had been included in the covenant calculation sheet for the Board's information and that this relaxation would give Atrium sufficient headroom to enable it to be flexible in its investment plans over the next five years. CX further noted that initial discussions were underway with RBS on whether a carve-out for capital expenditure on net zero / energy efficiency targets for tenants' homes would be possible in the future.</p> <p>Board approved the final budgets for 2023/24, subject to the cost of borrowing being increased to 4.75% and the borrowing costs projected as being higher for longer.</p> <p>Board also approved the submission of these budgets to the lenders as well as submission of the Five Year Financial Plans to the SHR.</p> <p style="text-align: right;"><i>Approved</i></p>
9	Draft Internal Management Plan for 2023/24
	<p>CX noted that the focus for 2023/24 would be to ensure that Atrium Homes remains operationally and financially stable while carrying out a detailed review of stock condition data on tenants' homes.</p> <p>The Investment team would be carrying out detailed reviews of a sample of houses planned for phases 4 and 5 of the Homes Fit for 21st Century Living Standard (HFF21CLS) work programme. This work would provide greater clarity on the likely cost of investment required in these homes and so inform annual investment plans.</p> <p>In addition to the review of houses still to be improved, the executive team will be surveying tenants who have had HFF21CLS works completed to gain an insight into how they found the experience of the whole house approach to completing the investment works in their homes.</p> <p>CX further noted that the organisation remains committed to the HFF21CLS work programme but that the review might result in a greater focus on energy efficiency measures which would also make a contribution towards the net zero targets that need to be met. Works might therefore be focussed on component replacements rather than a whole house approach. This would need to be balanced against the potential for increased reactive repair costs if replacements of components are delayed.</p> <p>CX confirmed that once the detailed data being collected above is available, Atrium would look to have a Board strategy session which focuses on the results of the review and considers how best to prioritise spending while managing Atrium's financial resources over the coming years.</p>

	<p>Board approved the Executive team progressing the review of Atrium's investment priorities as detailed in the meeting and the draft IMP document.</p> <p style="text-align: right;"><i>Approved</i></p>
10	<p>Asset Management Software</p> <p>Board noted the request to approve the purchase of a specialised asset management software package which would enable all the organisation's housing stock data to be pulled together into a centralised database and would include the ability for stock condition surveys to be captured straight into the software and so enable detailed scenario planning to take place as we consider our investment priorities for the short to medium term.</p> <p>CX clarified that there would be a recurring annual license cost of at least £5.7k for the asset management software, while the £4.5k cost of the stock condition module might not be needed after the first year of detailed work carried out by the Investment team.</p> <p style="text-align: right;"><i>Approved</i></p>
11	<p>Insurance Arrangements Update</p> <p>Board noted the contents of the report and the current position with two insurers withdrawing from the RSL housing insurance market. Board was pleased to note that the brokers had been able to arrange suitable insurance cover for the group, and that the cost of the premiums due for the year commencing 1 April 2023, while still considerably higher than the premiums paid in 2022/23 were lower than originally anticipated in the draft budget presented to the February Board meeting.</p> <p>During this time of uncertainty regarding insurers to the RSL market and the increasing premiums being experienced by the industry, Board agreed that retaining the current insurance brokers would provide a measure of stability and built-in knowledge of Atrium Group.</p> <p>In accordance with the terms of the open tender by which the insurance brokers were procured, Board approved the extension to the original three-year contract by one year and gave delegated authority to the executive team to extend the contract by a further year should the performance of the broker remain satisfactory.</p> <p style="text-align: right;"><i>Approved</i></p>
12	<p>Policy Updates</p> <p>Board noted that there had been no changes to the H&S Policy Statement from the prior year and considered the updates to the two Codes of Conduct presented to the meeting.</p> <p>Board noted that, subject to a small number of corrections, the three new policy documents presented to the meeting were approved for finalisation.</p> <p style="text-align: right;"><i>Approved</i></p>
13	<p>Atrium Initiatives Limited</p>
13.a	<p>Board noted the minutes of the meeting of the subsidiary Board of directors on 7 March 2023, and note that these were an accurate representation of business discussed at the meeting.</p> <p style="text-align: right;"><i>Noted</i></p>
13.b	<p>Board considered the Business Plan and Budgets for the five years ending 31 March 2028 which had been approved by the Board of Atrium Initiatives Limited. It was noted that the documents had been prepared on the basis of the company maintaining the status quo on operational activities during the year, and that these activities were expected to generate a small surplus which it was assumed would be retained by the subsidiary company and not Gift Aided to the parent.</p> <p>CX noted the need for the subsidiary company to retain its cash reserves as the private let properties were now reaching an age where the components in them might need to be</p>

	<p>upgraded; it was noted that one of the properties had received a boiler upgrade in the 2022/23 year. A Board member asked whether the directors of the subsidiary had considered changing the rentals payable on the private let properties and it was noted that the rental values had been considered and that they were not substantially out of line with the market rentals charged for similar properties; if the tenancies changed however, the rentals would be reviewed at this time.</p> <p>CX noted that the subsidiary Board members agreed that the viability of continuing to hold the private let properties would be reviewed in the event that it became clear that they would require significant investment. CX noted that while the business plan considered a five-year period, the plan was subject to review annually and would also be reviewed during the year should circumstances change.</p> <p>Board approved the Business Plan and Budgets of Atrium Initiatives for the five years ending 31 March 2028.</p> <p style="text-align: right;"><i>Approved</i></p>
14	Complaints, GDPR and FOI
	<p>Board noted the contents of the report and in particular the number of cases where the ICO target for number of days to complete the complaint had not been met on Stage 1 complaints. CX noted that these complaints invariably involved a requirement to obtain a response from a third party contractor. A Board member asked whether these complaints should be recorded as Stage 2 complaints but CX confirmed that the nature of the complaints were such that they were appropriately categorised as Stage 1.</p> <p style="text-align: right;"><i>Noted</i></p>
15	Health & Safety (Standing Item)
	<p>CX noted that there were no incidents to report.</p> <p style="text-align: right;"><i>Noted</i></p>
<i>CX left the meeting</i>	
17	Cost of Living Increase Pay Award for 2023/24
	<p>The Board members discussed the report and are happy to approve that the EVH negotiated pay increase of 5.25% should be paid to all staff, including Directors and Chief Executive with effect from the 1 April 2023, plus the one off non-consolidated payment of £450 to each employee, which should be paid to staff before 31 March 2023.</p> <p>In addition to the pay award, Board agreed that the Atrium Group should harmonise the essential car user and first aid allowances with current EVH rates also with effect from 1 April 2023.</p> <p style="text-align: right;"><i>Approved</i></p>
18	Date of Next Meeting – Tuesday 25 April 2023 at 6:00 p.m.
	<i>Noted</i>
	The meeting closed at 7:25 p.m.