

ATRIUM HOMES

Minutes of Meeting of the Board held on Tuesday 25 February 2025

At 6:00 p.m. via Zoom

Present: Alistair Reid, Carolyn Hope, Craig Leitch, Dominic O'Donnell, Maureen Gimby, Ron Sharpe, Scott Cunningham (from 6:19 p.m.), Ken Tudhope (from 6:31 p.m.)

Attending: Joyce McCroskie (Director of Housing & Community Services, DoHCS), Barry Lees (Director of Property Services, DoPS), 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
	Alan White, Julie Templeton
2	Declarations of Interest
	Staff declared an interest in item 14. No other declarations of interest in business to be discussed were noted.
3	Minutes of Meeting on 28 January 2025
	The minutes of the meeting of the Board held on 25 January 2025 were reviewed and approved as an accurate record of the meeting. <i>Approved for publication</i>
4	Matters Arising
	a) Board noted the items which remained in progress. Board discussed the availability of the themes from the 2024 Customer Satisfaction Survey and DoHCS advised that these would be made available to Board after the meeting. CX further noted that the flier detailing the outcome of the Rent Increase Consultation in January 2025 would be shared with Board. <i>Noted</i>
	b) Board noted that Atrium is up to date with all compliance requirements. <i>Noted</i>
5	Policy Reviews
	Board considered the two ICT policies which had been reviewed and minor updates incorporated, before being reviewed by FASSC at their meeting in February 2025. Board noted that a discussion had taken place at FASSC about the use of AI in the business which is currently very limited, and had agreed that the wording in the policies was considered adequate at this time. A Board members asked about the Cyber Security training which staff are required to receive and CX noted that all existing staff and new starts are required to undertake

	<p>training via the ICT support provider’s training portal. The Board member asked that the wording regarding regularity of training be reviewed when the policy is next updated.</p> <p>CX noted that Atrium is currently undertaking a project to overhaul its core Housing Management Software as well as moving away from reliance on on-site servers and so these policies would be reviewed again at the conclusion of the project to ensure that they reflect the organisation’s amended working practices.</p> <p>Board endorsed the two updated ICT policies.</p> <p>Board considered the H&S Policy Statement, the wording of which has not changed from last year and confirmed their commitment to the statements made. Board approved the Chair and CX signing this policy statement on their behalf.</p> <p style="text-align: right;"><i>Approved</i></p>
6	<p>Annual Assurance Considerations</p> <p>SHR’s Standards of Governance and Financial Management for RSLs</p>
	<p><u>Standard 3</u> – the RSL manages its resource to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay</p> <p>Board considered the contents of the paper. Over recent years, Atrium has gathered a Short Life Working Group (SLWG) made up of Executive Management Team and a small number of Board members. This group has reviewed the detailed evidence gathered in which demonstrated Atrium’s compliance with SHR and other regulatory requirements, and reported to Board ahead of the Annual Assurance Statement (AAS) being signed on their behalf and submitted to SHR.</p> <p>This year, the whole Board will specifically consider the SHR’s regulatory framework and other requirements of Atrium during the Board meetings and will agree on whether Atrium is adequately demonstrating its compliance with these standards based on the matters discussed at the meetings and other evidence supplied.</p> <p>A few members of the prior year’s SLWG noted that the previous AAS review work had been a time-consuming process for a small number of Board members and they felt that getting the whole Board to review assurance through the course of the year was a good way to approach the review of Atrium’s compliance.</p> <p>Board considered the statements made on how Atrium complies with each of the requirements in Standard 3 and agreed that it was a good record of Atrium’s work and that this paper, together with the other financial papers discussed at this Board meeting, demonstrated Atrium’s is complying with the standard.</p> <p>A Board member noted that with the Strategic Risk Register being reviewed at every Board meeting as well as at Sub-Committee meetings, this should be noted as an additional control in place for standard 3.3. CX agreed to add this control to the text.</p> <p>A Board member asked how Atrium demonstrates that we are maintaining rent at affordable levels and CX noted that at the meeting in November 2024 Board were provided with a peer review of average rents in Ayrshire as well an analysis of proposed rents’ affordability using the SFHA rent affordability tool.</p>

	<p>Board agreed that the documents were a comprehensive record of Atrium's compliance with Standard 3 and approved this document to be carried forward and updates included as matters changed.</p> <p style="text-align: right;"><i>Approved</i></p>
7	<p>Finance, Audit & Staffing Sub-Committee</p> <p>a) Board noted the minutes of the Finance, Audit & Staffing Sub-Committee (FASSC) meeting on 17 February 2025.</p> <p>A Committee member noted that the Internal Audit Reports received at the meeting had provided committee with considerable detail on the areas that had been reviewed and the findings of these. These reports provided strong assurance to the committee that controls were operating well at Atrium.</p> <p>A Board member asked whether Atrium had plans to use the land subject to the Grazing Let which had been approved by FASSC. CX confirmed that the land subject to the Grazing Let was very hilly and uneven and so would not be cost-effective to develop at this time.</p> <p style="text-align: right;"><i>Noted</i></p> <p>b) Board considered the financial performance reports to 31 December 2024.</p> <p>Board noted that the surplus for the period was better than budgeted. Reactive Repairs spend remains higher than the previous year for the same period with substantial costs incurred on fencing repairs in the period which had not been predicted in the budget. The overspend is offset by cost savings on void repairs in the period.</p> <p>Adaptations spend is below budget as we were only advised of our funding allocation in October 2024. All of the funding received is already allocated to tenants who were on the waiting list for works needed.</p> <p>The revenue elements of the Homes Fit for 21st Century Living Standard works programme have been lower than budgeted, with the underspend largely matched by the expenditure on capital elements of the works. Overall spend is on target with the contractor continuing to making good progress in the quarter. Atrium is on track to have improved the 143 properties planned by the end of the financial year.</p> <p>Board noted that Atrium continues to comply fully with its lenders' financial covenants. Board approved the performance reports for the nine months.</p> <p style="text-align: right;"><i>Approved</i></p> <p>c) Board considered the contents of the paper regarding the removal of the requirement to audit the annual financial statements of the subsidiary, Atrium Initiatives Limited for the year ending 31 March 2025.</p> <p>FASSC had considered the information provided by the current auditor in detail. There is a low risk to the group of the accounts not being audited as the financial</p>

	<p>activities of the subsidiary have reduced in recent years and all financial transactions are controlled by the same team, with a number of transactions subject to audit in Atrium Homes. FASSC also noted that the internal financial controls of the Atrium Group had recently been the subject of an Internal Audit review and had received the highest rating possible.</p> <p>FASSC therefore recommended that an Accountant's Certificate be obtained for the subsidiary and Board approved this.</p> <p style="text-align: right;">Approved</p>
8	Housing & Community Services Sub-Committee
	<p>a) A committee member noted that this had been another quarter of strong performance by the team. A Committee member noted that a discussion had been held on the setting of targets for this team and it was noted that these have been set through a combination of historic experience and benchmarking with peers. These targets will be reviewed again for 2025/26.</p> <p>A Board member noted that Atrium allocates a high proportion of its lets to homeless applicants and asked whether there was pressure from the local authority to increase the number of lets to homeless applicants. DoHCS noted that there was not really significant pressure from the local authority to increase these lets at this time.</p> <p style="text-align: right;"><i>Noted</i></p> <p>b) Board noted the positive performance reported in the quarterly performance summary to 31 December 2024.</p> <p style="text-align: right;"><i>Noted</i></p>
9	Property Services Sub-Committee
	<p>a) A committee member noted that external wall insulation works to a small number of properties was progressing well. Phase 4 of Homes Fit for 21st Century Living standards work has now completed and work on houses in Phase 5 has commenced.</p> <p>Board noted that management had been given delegated authority to extend a contracts which had been procured as 2+1+1 contracts, beyond the first two-year period. Management were also given authority to award a void clearance contract to a cyclical works contractor on a trial basis.</p> <p>Finally, Board was pleased to note that three acquisitions of properties for sale on the open market would be concluded in Quarter Four, with financial assistance provided by the Scottish Government via the local authority.</p> <p style="text-align: right;"><i>Noted</i></p> <p>b) Board noted the positive performance reported in the quarterly performance summary to 31 December 2024.</p> <p style="text-align: right;"><i>Noted</i></p>
10	Draft Budget for 2025/26 and Business Plan Update
	<p>Board noted that the updated draft budget for 2025/26 and 30-year projections to 2055 had been reviewed in detail by FASSC, with a reconciliation of key changes made between the budgets reviewed by Board in November and those considered at the February meeting being considered and approved.</p>

	<p>Two key areas remain uncertain and will be incorporated into the budgets presented to the March Board meeting. These are the level of insurance premiums which will be quoted to Atrium during March and also the final approved Cost of Living Pay Award to be discussed at item 14 of the agenda.</p> <p>Finally Board noted the update provided on the objectives of the 2021/26 Business Plan and CX noted that progress has been made against the key targets, with some progress being slower than anticipated as priorities have developed during the business plan term.</p> <p style="text-align: right;"><i>Noted</i></p>
11	<p>Strategic Risks – emerging risks and changes (standing item)</p> <p>Board considered the current strategic risk register which had been included in the papers for the meeting.</p> <p>A Board member noted that they had been hearing of potential changes to Welfare Benefits being made at Westminster, and asked what risk management considered this would pose for Atrium. DoHCS noted that in previous years when the government had changed or cut benefits for Atrium’s tenants, the organisation has taken a pragmatic approach to finding ways to mitigate the risks to both our tenants and the business, and so we are confident that we will be able to respond in the same way again if needed.</p> <p>Board considered the risks on the register and agreed that no further changes were needed.</p> <p style="text-align: right;"><i>Discussed</i></p>
12	<p>Health & Safety (Standing Item)</p> <p>DoPS confirmed that there were no new matters to report to the meeting.</p> <p style="text-align: right;"><i>Noted</i></p>
13	<p>Any Other Competent Business</p> <p>Board members were asked to respond to the recent survey on meeting times and days which had been issued by CX in the previous week. CX agreed to re-send the email to Board members as a reminder.</p> <p>Three Board members had attended the recent SFHA Governance Conference which they had found very informative. A number of matters were discussed including Board member recruitment and retention, and also changes to RSLs’ plans on new build developments in recent months.</p> <p>Two Board members had attended a recent EVH Employment Law Update and it was noted that employment law is undergoing changes to make it more family-friendly and also more focussed on employees’ rights. At present Atrium does not recognise a Union for bargaining purposes and it was noted that in future, should 2% of the organisation’s staff want Trade Union representation, Atrium will be required to recognise a Trade Union. A Board member who is also a FASSC member noted that Atrium is generally dealing with staff and HR matters well.</p> <p>No additional business matters were noted.</p> <p style="text-align: right;"><i>Noted</i></p>

Staff left the meeting at 6:45 p.m.	
14	Annual Cost of Living Pay Increase Award
	<p>Board considered the contents of the paper which had been provided to the meeting and which set out the current position on pay and the level of pay increases recently negotiated by EVH (which are still subject to employers' ballot), and FASSC's recommendation.</p> <p>Board also considered:</p> <ul style="list-style-type: none"> • the expected average level of inflation for 2025/26 of 2.7% which is currently provided for within the budgets, as informed by economists; • the Atrium team continues to perform well against a range of key performance indicators, and budgets, combined with recent strong Internal Audit outcomes. <p>Board noted some concerns around the EVH pay negotiation process and also the long-term viability of awarding pay increases which mirror rent increases for tenants.</p> <p>Board considered the need to balance rewards for staff against the income which Atrium is able to collect from its tenants, and noted in particular that the increase being applied to rents with effect from 1 April 2025 has been approved at 3.5%.</p> <p>Board therefore approved a Cost of Living Pay Increase with effect from 1 April 2025 of 3.5%.</p> <p style="text-align: right;"><i>Approved</i></p>
16	Date of Next Meeting - Tuesday 25 March 2025 at 6:00 p.m. via Zoom
	The meeting closed at 7:08 p.m.

Chair:

Date: 25 March 2025