

ATRIUM HOMES

Minutes of Meeting of the Board held on Tuesday 23 May 2023

At 6:15 p.m. at 14 Central Avenue

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

Attending: Joyce McCroskie (Director of Operations, DoO), Barry Lees (Director of Investment, DoI), 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.

The Chair confirmed that the meeting was quorate.

Confirmed

Item	
1	Apologies
	Ken Tudhope (leave of absence)
2	Declarations of Interest
	JT and RS noted their interest in item 5 as tenants of the organisation. SF noted that he is an employee of RBS and will not participate in the discussion on item 8 if there are any contentious matters regarding the bank.
3	Minutes of Meeting on 25 April 2023
	It was noted that an attendee's surname had been misspelt. Subject to this one change, the minutes of the meeting of the Board held on 25 April 2023 were reviewed and approved. <i>Approved for publication subject to one correction</i>
4	Matters Arising
4.a	Board noted the updates given on actions arising from previous meetings, and progress made to date. <i>Noted</i>
4.b	Board noted that Atrium is up to date with all compliance requirements. <i>Noted</i>
5	Annual Return on the Charter
	Board considered the report on the results of the organisation for the year ended 31 March 2023 and considered the report on the trends in key results over the past five years. CX noted that the Scottish Average reported by SHR for the year ended 31 March 2022 had been included in this report to provide additional context for Board on Atrium's performance. Board further noted the detailed contents of the Annual Return on the Charter which had been included in the papers, and the stock returns which require to be made for the two local authority areas in which Atrium owns stock.

	<p>CX noted that arrears levels had remained consistently low and that this would have been helped by the additional assistance provided to tenants to support their tenancies through the cost of living crisis. Board also noted that five homes which had become void in the year had been held for Ukrainian refugees for a total of 300 days.</p> <p>CX noted that the percentage of repairs completed Right First Time had fallen from 86% last year to 85% for the 2022/23 year, and that this would have been around the fact that Atrium’s main repairs contractor had withdrawn from the marketplace in June 2022 which had resulted in other reactive and cyclical contractors stepping in to cover repairs work to ensure that the service to tenants was not affected. Conversely, performance on completion times had improved in the year.</p> <p>A Board member queried the statistic reported at no 23 (Percentage of referrals under Section 5 and other referrals for homeless households made by a LA that result in an offer) as this figure looks low when Atrium made 50% of its lets in the year to homeless applicants. DoO clarified that the total number of referrals received is calculated based on the total number of homeless applicants on the Common Housing Register (CHR), rather than applicants looking for a home within Atrium’s housing estates only.</p> <p>In response to a further query, DoO noted that the CHR holds a transfer list which includes tenants from all the Single East Ayrshire Register for Community Housing (SEARCH) partners made up of East Ayrshire Council and four local social landlords.</p> <p>Board noted that in general the results of the organisation had largely improved or stayed consistent when viewed across the last five years, two of which were impacted on by the Covid pandemic and restrictions on activities. Staff were commended on their work to ensure that services delivered to tenants had not been negatively impacted by changes in the external environment.</p> <p>Board approved the submission of the ARC return to SHR before 31 May 2023.</p> <p style="text-align: right;"><i>Approved</i></p>
6	Policy Reviews
	<p>CX talked to the paper which provided updated timescales on policy reviews due in the year and confirmed that all policies are well within their required review timescales.</p> <p>A Board members asked whether Atrium still supplies Shared Equity properties and whether this policy is still required; DoI confirmed that we do not currently supply Shared Equity properties and so this policy will be reviewed at the appropriate time and amended as needed to reflect the most up-to-date guidelines required.</p> <p>Board considered the Whistleblowing Policy which was presented for approval. A Board member queried when a referral to the External Auditor might be made as noted in paragraph 5.2, and it was noted that a matter might be referred to the external auditor where the concern raised by a whistleblower centred around financial fraud and so an independent investigation might be required.</p>

	<p>A Board member asked that CX review the response timescale noted for providing an update to the whistleblower at point 5.2.</p> <p>Board approved the Whistleblowing policy as amended and noted the proposed timescales for the remaining policies due for review in 2023/24.</p> <p style="text-align: right;"><i>Approved subject to one potential change</i></p> <p><i>The response time queried above has now been amended to 20 working days as suggested.</i></p>
7	Risk Appetite
	<p>CX presented the paper on the results of the survey of Board members with regards to their appetite for risk around the nine key areas of strategic risk which the organisation manages.</p> <p>CX noted that there had been movement in appetite within the individual risk categories as detailed in Appendix 2 to the paper, with biggest change in appetite being in Asset Strategy – Property Improvements. This has changed from 60% open to risk to 70% being averse to cautious as a result of the continuing delays and challenges experienced by the organisation on the Homes Fit For 21st Century Living Standard (HFF21CLS) work programme.</p> <p>Overall however, the Board remains Averse to Cautious regarding Risk Appetite (70%) compared to 68.9% in 2022/23.</p> <p>A Board member asked whether the staff had received feedback from tenants after the capped rent increase was implemented. Staff noted that there had been no additional feedback received after the rent increase letters were issued. Board noted that there had been feedback from a number of tenants at the time of the rent consultation exercise, and that where possible staff had ensured that issues with service raised were dealt with quickly.</p> <p>Board members asked whether their appetite for risk was different from that of the management team. CX confirmed that management are cautious in their appetite for risk and work to manage risks while seeking to achieve improvements to services and efficiencies internally. Management’s focus is on providing the best possible service to tenants within the resources available to Atrium.</p> <p>Board discussed the new Housing Bill which is expected soon, and the review of ESSH2 which has been delayed again from the Summer to September. Board are conscious of the net zero requirements for social landlords and concerns were noted that there are no solutions commercially available at present which are reliably proven to be economically viable for tenants to operate and landlords to maintain, as well as concerns on how the replacement of carbon-reliant heating systems will be funded.</p> <p style="text-align: right;"><i>Approved</i></p>
8	Amendment to RBS Financial Covenants
	<p>Board considered the paper presented by CX which provided an update on the process to finalise the additional loan facilities with RBS as well as a proposed change to the financial covenants in place in the existing legal documentation.</p>

	<p>CX noted that after a number of discussions, a change to the interest cover covenant requirement had been approved by the RBS internal Credit Team. This change will provide greater headroom for the organisation and also more flexibility on how much Atrium can spend on improvements to tenants’ properties in each year, provided that the organisation maintains its cash reserves at the required level.</p> <p>The change to the gearing covenant requirement resulted in lower headroom but still provided considerable flexibility based on the organisation’s current budgets.</p> <p>Board also considered the sensitivity analysis provided which looked at the impact on Atrium’s ability to meet the new covenant requirements if interest rates increased to 5% and stayed at this high level for the duration of the 30-year plan. Board noted that projected new borrowing levels would increase and the timing of drawdowns would need to be pulled forward. Despite this Atrium would retain headroom in the interest cover covenant.</p> <p>The budgets also show that Atrium has sufficient time to review its asset investment strategy and its future funding requirements based on the resources available to it once the legal documentation has been concluded for the new loan facility.</p> <p>A Board member asked how many of Atrium’s homes remain unsecured and CX noted that there are 218 unsecured homes which are a mix of new build and stock transfer properties.</p> <p>Board approved the adoption of the amended financial covenants offered by RBS.</p> <p style="text-align: right;"><i>Approved</i></p>
9	Finance, Audit & Staffing Report
9.a	<p>Board noted the minutes of the Finance, Audit & Staffing Sub-Committee meeting held on 15 May 2023 were a good summary of matters considered during the meeting.</p> <p>In considering the discussions around the Internal Audit reports, Board noted that the arrears process of Atrium Homes is currently under review and that, once this has been finalised, it will be written into policy and applied consistently across the organisation. DoO noted that while a number of recommendations had been made regarding the organisation’s processes on arrears, Atrium has kept arrears consistently low over the past few years.</p> <p>Board discussed the Internal Audit report on how Atrium gathers tenant and service users’ feedback. A number of different ways to collect feedback are used. but the key recommendation is in complete recording of how we have responded to feedback and reporting this to sub-committees and ultimately Board. Board noted that the audit had not reviewed the way in which complaints were handled or reported.</p> <p>A member of FASSC noted that the reports do not routinely include examples of good practice seen elsewhere as part of the recommendations made, but that some examples were given during the meeting when the manager was asked.</p> <p style="text-align: right;"><i>Noted</i></p>

	<p>which should result in fewer abortive visits and improved customer satisfaction. Our main contractors for the HFF21CLS works has also recently made some changes to staffing which has resulted in better service on this contract.</p> <p>Board further noted that a contractor has been approved to carry out stock condition surveys on a sample of Atrium's homes, and that the organisation continues to monitor the availability of homes for sale on the open market.</p> <p style="text-align: right;"><i>Noted</i></p>
12	Annual Board Performance Appraisals
	<p>CX noted that Board would be asked to undertake annual appraisals during the Summer months. The statistics on individual Board members' attendance would be emailed to the Chair ahead of the meetings being arranged and Board members were asked to raise any questions or concerns ahead of the meetings with the Chair or CX.</p> <p style="text-align: right;"><i>Noted</i></p>
13	Health & Safety (Standing Item)
	<p>Management noted that there were no incidents to report to Board. DoI noted that compliance with Landlord Health & Safety matters are routinely reported to the Investment Sub-Committee.</p> <p style="text-align: right;"><i>Noted</i></p>
14	Any Other Competent Business
	<p>CX provided a verbal update to Board on the visit from Nicola McKeand of the Scottish Housing Regulator and two colleagues, to Atrium's offices on 18 May 2023.</p> <p>SHR reviewed Atrium's processes for preparing the Annual Assurance Statement which is submitted to SHR in October each year as well as reviewing how the Board assures itself that all requirements for tenant and resident Health & Safety are being met.</p> <p>Board asked CX to clarify with Ms McKeand when we might expect her letter.</p> <p style="text-align: right;"><i>Noted</i></p> <p>CX noted that a short life working group for the Annual Assurance Statement would be sought from Board members. This group will meet over the coming months to review the evidence pulled together to support the signing of this Statement, with the aim being that the work is complete and reported to Board at its August meeting. CX asked for interest Board members to contact her after the meeting.</p> <p style="text-align: right;"><i>Noted</i></p>
15	Date of Next Meeting – Tuesday 27 June 2023 at 6:00 p.m.
	<i>Noted</i>
	The meeting closed at 7:47 p.m.

Chair:

Date: