

ATRIUM HOMES

Minutes of Meeting of the Board held on Tuesday 25 June 2024

At 6:00 p.m. via Zoom

Present: Alistair Reid, Ken Tudhope, Julie Templeton, Maureen Gimby, Dominic O'Donnell, Ron Sharpe

Attending: 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
	Carolyn Hope, Steven Fraser, Craig Leitch, Alan White
2	Declarations of Interest
	No declarations of interest in business to be discussed were noted.
3	Minutes of Meeting on 28 May 2024
	The minutes of the meeting of the Board held on 28 May 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, and approved the closure of several items. <i>Noted</i>
	b) Board noted that Atrium is up to date with all compliance requirements. <i>Noted</i>
5	Annual Financial Statements for the Year Ended 31 March 2024
	a) Board considered the annual financial statements for the year ended 31 March 2024 which had been audited by Wbg (Audit) Limited (formerly Wylie & Bissett). Board considered the contents of the Report of the Board of Directors, the Statement of Board of Directors' Responsibilities and the Board of Directors' Statement on Internal Control, and confirmed their agreement with these. Board further noted that there had been no audit adjustments to the results reported in the quarterly performance reports, or changes to disclosures contained within the accounts compared to the prior year. Board noted that the

external auditors had issued a positive audit report, with no qualifications or other matters to be brought to the company members' attention.

Board approved the signing of the audited annual financial statements by the Chair and the Company Secretary.

Approved

- b) Board considered the annual auditor's report in which it was noted that there were no adjustments to the management accounts identified as necessary by the audit team, and no unadjusted errors noted.

A Board member asked what the significance was of the clear statement that no adjustments had been identified by the auditors, and it was noted by another Board member that most audits will find some financial items which will either require to be adjusted in the final accounts or would be listed as unadjusted items in the auditor's report. The fact that there were no items noted gave Board comfort that the quarterly performance reports received by FASSC and then Board were accurate.

Board approved the annual auditor's report.

Approved

- c) Board considered the Letter of Representation to be issued to the auditors and noted that this is a standard letter which requires board to confirm that the auditors have been made aware of all material issues relating to the company and the financial results under review.

Board further noted that no non-routine representations were being sought by the auditors and that the letter confirmed the position with regards to there being no adjusted or unadjusted errors in the accounts.

Board approved the signing of the letter of representation by the Chair and the Company Secretary.

Approved

- d) Board considered the minutes of the meeting of FASSC on 17 June 2024 which had considered the items above as well as reviewing the draft Loan Portfolio Return which is based on the detail provided in the annual financial statements and the quarterly Treasury Management reports received by it.

A Committee member noted that FASSC spoke with the external auditor without management in the room and that no issues had been raised by the auditor. The auditor had noted that the working papers and management accounts provided by the Finance team for the audit were of a high standard and so facilitated an efficient and robust audit process.

Approved

- e) Board considered the contents of the report which noted that the initial three-year contract for the external audit service has now ended. This contract was procured for three years with the option to extend it with mutual agreement. Due to a number of factors noted in the paper, FASSC recommends that Board

	<p>approves a two-year extension to the contract for external audit services with Wbg (Audit) Limited.</p> <p>Board approved a two-year extension to the contract being offered to the current external auditor, subject to CX being able to agree a reasonable fee.</p> <p style="text-align: right;"><i>Approved</i></p>
6	<p>Eviction Approval</p> <p>Board considered the detail provided in respect of a tenant with significant arrears. In particular Board noted the work by the team in trying to engage with the tenant and the referrals to external advice and support which had been made over a period since the commencement of the tenancy, with no success.</p> <p>Board confirmed that, should the court issue a Decree for Eviction, this action is approved by the Board.</p> <p style="text-align: right;"><i>Approved</i></p>
7	<p>External Wall Insulation</p> <p>Board discussed the content of the paper. It was noted that the application for grant funding needed to undertake the largescale EWI project included in the budgets for 2024/25 had not been successful. The Energy Agency was however actively carrying out EWI works for owners in one of Atrium's estates and so it made business sense to undertake the proposed works to a smaller number of properties where these would be adjacent to properties being upgraded in the next few month, to make improvements to tenants' homes where we can as well as reducing the amount of additional disruption for these residents in the future. DoI confirmed that the works to the owners' homes in the estate would be going ahead regardless of whether Atrium adds some of its properties to the contract.</p> <p>CX confirmed that, while the cost would not be supported by grant funding, the cost per property was less than that recently paid for a one-off EWI installation. The actual cash outflow would be lower than that originally anticipated in the budget for 2024/25. Board noted that this means that the largescale EWI project would be delayed into future years, and a Board member asked why more properties were not being upgraded within this proposed project. CX confirmed that there was a fine balance between benefits around spend and Value for Money while there was no grant funding being received to help fund the works.</p> <p>DoI also confirmed that it is hoped that further funding for these works will become available in the medium term, and so further applications for funding for these essential works will be submitted when possible.</p> <p>A Board member asked whether the works would improve the properties' energy efficiency scores, and DoI confirmed that the improvements to the fabric of the homes reduce air leakage from the type of property to be upgraded, which would improve energy efficiency and had resulted in lower heating costs for tenants who had received these works in the past. It is hoped that further improvements to energy efficiency in these properties can be achieved through component upgrades in the future.</p>

	<p>Board approved DoI progressing the project and ensuring that the various regulatory and other contract requirements are actioned.</p> <p style="text-align: right;"><i>Approved</i></p>
8	<p>Regulatory Returns</p> <p>Board noted the update provided with regards to returns to the Scottish Housing Regulator submitted within the deadlines.</p> <p>Board noted the FYFP return which had been submitted in May, as approved for submission by Board based on the budgets approved at its meeting in March 2024.</p> <p>Board further considered the Loan Portfolio Return which had been reviewed by FASSC at its meeting on 17 June 2024 and approved its submission to the SHR ahead of the 30 June filing deadline.</p> <p style="text-align: right;"><i>Approved</i></p>
9	<p>Minutes of the Atrium Initiatives Limited Board meeting on 4 June 2024</p> <p>Board considered the minutes of the meeting of the subsidiary Board on 4 June 2024 and the updates to business provided therein. Atrium Initiatives made a small profit in the year ended 31 March 2024.</p> <p>Board noted in particular the number of factored owners whose debt owed to the company exceeded £900, and that the Notices of Potential Liability for Costs lodged against the title deeds for these owners meant that if no payments were received the company would eventually recover the debts when the properties were sold. A Director noted that the annual invoices for factoring charges had been issued in May and so the arrears levels reported by the company would change in the next quarterly performance reports.</p> <p>Board noted the minutes of the meeting.</p> <p style="text-align: right;"><i>Noted</i></p>
10	<p>Insurance Market update - verbal</p> <p>CX provided Board with an update on recent conversations with Atrium's insurance broker. It was noted that the insurance market remains challenging with the number of insurers willing to provide cover for registered social landlords remaining low at this time. The brokers are however speaking to a number of insurers not currently in the market and providing statistics to them in the hopes that they will consider coming into the market place in future.</p> <p>CX noted that excesses payable on claims had increased when the new insurer had provided cover, and that the reality was that these would most likely increase further in the short term. CX further noted that, should Atrium wish to change its renewal period in the future in order to make budgeting for insurance costs ahead of tenant consultation with tenants on rent increases more reliable, this might be able to be arranged by asking the insurer to provide cover for more than 12 months at the next renewal period.</p> <p>Board noted that it is expected that a representative from the broker firm will attend the meeting in November 2024 to provide Board with a further update on the insurance market and the likely increases to insurance costs for the cover period which will commence on 1 April 2025.</p> <p style="text-align: right;"><i>Noted</i></p>

11	Strategic Risks – emerging risks and changes (standing item)
	<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>Discussed</i></p>
12	Health & Safety (Standing Item)
	<p>DoI confirmed that there were no new matters to report to the meeting.</p> <p style="text-align: right;"><i>Noted</i></p>
13	Any Other Competent Business
	<p>1) CX noted that there had been a data breach on 19 June 2024 which had entailed the accidental disclosure of tenants’ email addresses to their neighbours. An apology was immediately issued to all affected tenants and a report was submitted to the ICO, as well as the incident being reported to the Atrium Group’s insurers and the SHR.</p> <p>CX noted that the ICO had received the case and closed it, with a recommendation for all staff to receive the ICO guide on how to avoid data breaches. A copy of the correspondence received from the ICO on 24 June had been uploaded to the Board papers that day.</p> <p>Board noted the events and the outcome of the report to the ICO, and asked CX to ensure that all staff received the necessary training to ensure that this type of error was avoided in the future, as far as possible. CX noted that the ICO guide had been uploaded to Atrium’s e-learning platform and that all staff would be asked to read the guidance and confirm the action on the platform.</p> <p style="text-align: right;"><i>Noted</i></p> <p>2) Finally, CX noted that the Annual Assurance Statement Short Life Working Group would require to be convened shortly. CX asked that Board members consider whether they could volunteer to be on the scrutiny group which would review the AAS toolkit updates and supporting evidence ahead of the approval of the AAS for submission to SHR by 31 October 2024, and to advise CX.</p> <p style="text-align: right;"><i>Noted</i></p>
18	Date of Next Meeting – Tuesday 27 August 2024 at 6:15 p.m. at Atrium House
	The meeting closed at 6:45 p.m.

Chair:

Date: 27 August 2024