

ATRIUM HOMES

Minutes of Meeting of the Board held on Tuesday 27 June 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 10 as tenants of the organisation. SF noted that he is an employee of RBS and will not participate in the discussion on item 11.
3	Minutes of Meeting on 23 May 2023
	It was noted that paragraph 2 of item 11 was missing a word. Subject to this one change, the minutes of the meeting of the Board held on 23 May 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. JK noted that Board members' PDRs were well underway. <i>Noted</i>
4.b	Board noted that Atrium is up to date with all compliance requirements. CX noted that staff PDRs will be conducted in July and August to accommodate Summer holidays. <i>Noted</i>
5	Applications for membership
	Board noted that applications for membership received from six individuals were put to the meeting and the Board approved these. A Board member queried whether tenants with rent arrears were prevented from becoming members of the company and it was confirmed that this is not written into the rules of the organisation.

	<i>Approved</i>
6	Eviction
	<p>Board noted that the decision to evict this tenant due to continuing rent arrears had been approved by the Operations Sub-Committee on 10 November 2021, but due to the time which has elapsed, Board were asked to consider the approval of the eviction again. Notice of proceeding was served on the tenant in January 2021, the case was passed to Atrium’s solicitors for court action in March 2021 and was called at court for the first time on 25 June 2021.</p> <p>Since that date the tenant has not engaged with Atrium or in-court advice, and has continued to break payment arrangements. The case has been called and sisted a number of times.</p> <p>On 16 June 2023 the Sherriff granted a decree for eviction, payment and expenses.</p> <p>Board engaged in a wide-ranging discussion on this case and a number of perspectives and concerns were discussed by Board members.</p> <p>Board noted that the rent arrears owed by the tenant at the date of the report was less than £2,250 which is less than the minimum limit in place for the Scottish government’s eviction ban in place until September 2023.</p> <p>It was noted that the legal proceedings against the tenant had commenced well before 6 September 2022 and so this case was exempt from the temporary eviction ban in place.</p> <p>DoO confirmed to Board that the Operations Team was seeking authority from Board to enforce a decree already granted in accordance with the applicable legislation. It was also clarified that once an approval to evict is received, the organisation has six months to act upon the Decree and the final outcome of when or if the Decree is implemented will be dependent on the tenant’s willingness to engage with the Operations team and sustain payment arrangements put in place.</p> <p>In response to a question from a Board member DoO confirmed that the tenant owes Atrium expenses from previous court action as payments received from the tenant are first applied to rent arrears before they can be applied to other costs on a tenant’s account.</p> <p>After lengthy discussion, the majority of Board approved the Decree for eviction, payment and expenses.</p>
	<i>Approved</i>
7	Annual Financial Statements for the Year Ended 31 March 2023
	<p>a) Financial Statements 2022/23 Board noted that the auditor gave a good, clean report on the accounts and records of Atrium Homes. A reconciliation of the final profit to that noted in the management accounts showed few changes.</p> <p>b) Annual Report to the Board It was noted that there were no recommendations for improvements to systems made by the external auditors this year. Attendees at the FASSC meeting on 19 June met with the auditor without staff present and asked the auditor if any</p>

	<p>areas needed to be improved – the finance team were commended on the quality of the paperwork provided for the audit and it was noted that despite the team being reduced for a number of months, controls and procedures had continued to operate as expected.</p> <p>c) Letter of Representation CX noted that this is an industry-standard letter which the Board is asked to issue to the auditors to confirm that we have made available to them all the information needed to enable them to issue an accurate audit report. The contents of the letter of representation were approved.</p> <p>d) Minutes of the Finance, Audit & Staffing Sub-Committee meeting with external audit The minutes of the meeting with the external auditor on 19 June 2023 were noted.</p> <p style="text-align: right;"><i>Approved</i></p>
8	<p>Regulatory Returns to Scottish Housing Regulator</p> <p>Board noted the contents of the paper and the key deadlines for the various returns which are required to be made to the Scottish Housing Regulator (“SHR”) during the course of the year.</p> <p>Board considered the detail of the loans in place and Atrium’s performance against the lenders’ financial covenants included in the Loan Portfolio Return, and approved this for submission to the Regulator before the deadline of 30 June.</p> <p>Board further noted the final version of the Five Year Financial Projections Return which had been submitted to SHR and that the figures therein represented the budgets approved on 28 March 2023.</p> <p style="text-align: right;"><i>Approved</i></p>
9	<p>Policy Reviews</p> <p>Board approved the amendments made to the Standing Orders of the Governing Body and Sub-Committees, and the Gifts and Hospitality Policy presented to the meeting.</p> <p>A Board member noted that the new CCTV Policy was fairly generic and CX confirmed that operational details on accessing recordings etc have been included in the Data Protection Impact Assessment held by the organisation. Board approved the new policy.</p> <p style="text-align: right;"><i>Approved</i></p>
10	<p>Common Allocation Policy (CONFIDENTIAL)</p> <p>Board considered the Common Allocation Policy which has been reviewed with East Ayrshire Council as the lead organisation for the Common Housing Register and RSL partners which operate in East Ayrshire.</p> <p>DoO confirmed that the main changes to the policy are summarised in paragraph 18 of the covering paper presented to the meeting. These changes have largely been implemented to address issues experienced with the existing policy.</p> <p>Board approved the new Policy.</p> <p style="text-align: right;"><i>Approved</i></p>

11	Loan Facility documentation for RBS increased borrowings
	<p>Board considered the documents which were presented to the meeting and the detail included in the covering paper. A Board member noted that the revised interest cover covenant wording no longer provided for the add-back of pension payments which is considered to be more appropriate. Board considered the key terms of the documentation and the requirements of the company in signing the legal agreements.</p> <ol style="list-style-type: none"> 1. The directors noted that they were aware of the need to consider their general duties including those set out in the Companies Act 2006 and, in particular, their duty to promote the success of the Company for the benefit of its members as a whole having regard (amongst other matters) to the factors set out in section 172 of the 2006 Act. 2. Except as after-mentioned, each board member present advised the meeting that for the purposes of section 177 or section 182 of the Companies Act 2006 and the Company's Articles of Association they had no personal interest in the proposed transaction to be considered at the meeting. As an exception to this, Steven Fraser disclosed his status as an employee of The Royal Bank of Scotland plc and agreed not to participate in the discussion on the following matter, nor to vote on any of the following resolutions. It was noted that the board members present (under exclusion of Steven Fraser) were therefore entitled to vote on and be counted in the quorum present at the meeting. 3. The Chair advised the meeting that Atrium's solicitors had been adjusting with the solicitors representing Atrium's funders, The Royal Bank of Scotland plc (the "Bank"), the terms of an amendment and restatement agreement to be entered into between the Bank and Atrium (the "Amendment and Restatement Agreement"), which amends and restates Atrium's existing facilities agreement dated 10 and 14 December 2010 (as amended and restated on 21 December 2016) to allow for an additional facility of up to £6.3 million (the facilities agreement as further amended being the "Restated Facilities Agreement") in order to (a) continue to support Atrium's ongoing development programme and fund improvements to its properties and (b) support Atrium's general corporate purposes. The Chair advised that the terms of the Amendment and Restatement Agreement were agreed. 4. The Chair informed the meeting that its purpose was to consider and, if thought fit, approve the execution by Atrium of the Amendment and Restatement Agreement. 5. A draft of the Amendment and Restatement Agreement (appending the Restated Facilities Agreement) and a Certificate to be given by an authorised signatory of Atrium were produced to the meeting (together the "Documents"). 6. It was reported to the meeting that in accepting and signing the Documents and in borrowing the Total Commitments (as defined in the Restated Facilities Agreement) in full, Atrium would not breach its articles of association or any existing contractual or statutory obligations and that Atrium is fully empowered to enter into the Amendment and Restatement Agreement and to perform its obligations thereunder. 7. It was also reported that, in order for Atrium to enter into the Documents to which Atrium is a party, the board members must have formed the bona fide opinion that it would be beneficial to Atrium to enter into the Documents. After

	<p>due and careful consideration of the terms of the Documents, the board members confirmed their full understanding of the effect and implications for Atrium of entering into the Documents, including the risks associated with doing so, including the implications in the event of Atrium not complying with its obligations pursuant to the Documents and the Bank enforcing the terms of any securities held by it over Atrium's assets, and unanimously expressed the opinion that it would be in the best economic, strategic and financial interests of Atrium to enter into and execute the Documents to which Atrium is a party.</p> <p>8. It was also reported that, upon Atrium entering into the Documents, Atrium would continue to be able to pay its debts as they fall due.</p> <p>9. It was resolved as follows:-</p> <ol style="list-style-type: none"> a. that Atrium enter into the Documents; b. that Atrium delegate authority to any one of the Chief Executive (Shannon Watson), the Director of Operations (Joyce McCroskie) or the Director of Investment (Barry Lees) (each of whom is an "Authorised Signatory") to negotiate, finalise, approve and accept the whole terms and conditions of, and the transactions contemplated by, the Documents and any other document which he/she considers necessary or desirable in connection with the Documents. c. that any one Authorised Signatory be and is hereby authorised to execute the Documents on behalf of Atrium and to execute any other document which he/she considers necessary or desirable in connection with the Documents on behalf of Atrium (which execution may be by way of electronic authentication). d. That any one Authorised Signatory be and is hereby authorised to sign and/or despatch all documents, certificates and notices, including any Utilisation Requests, to be signed and/or despatched by Atrium under, or any other document which he/she considers necessary or desirable in connection with, the Documents (which execution/signing may be by way of electronic authentication). <p>As above, Board approved CX finalising the legal documentation provided to the meeting in co-ordination with Atrium's legal advisors and delegated authority to CX to sign all documentation on their behalf. Board further approved the payment of the arrangement fee to the Royal Bank of Scotland.</p> <p style="text-align: right;">Approved</p>
12	Governance
	<p>CX spoke to the paper which provided Board with a reminder of the key documents stored in DropBox which Board members needs to have read and understood to ensure that matters of governance are dealt with robustly and appropriately at all times by Board.</p> <p>Board considered the SHR's discussion paper on proposed changes to its regulation processes and Board members were invited to provide the Executive Team with any comments that they wished to submit to the SFHA so that these could be incorporated into a response to SHR.</p> <p>Board also noted the letter detailing the outcome of the SHR's visit to Atrium on 18 May 2023.</p>

	<p>Board members were reminded that the AGM is planned for 29 August 2023 in Atrium’s offices and that we require at least seven members to be present in person in order to be quorate.</p> <p style="text-align: right;"><i>Noted</i></p>
13	Minutes of Atrium Initiatives Limited Board meeting on 6 June 2023
	<p>Board noted the minutes of the meeting of the subsidiary Board of directors on 6 June 2023, and noted that these are an accurate representation of business discussed at the meeting.</p> <p style="text-align: right;"><i>Noted</i></p>
14	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>In response to a question from a Board member, DoI confirmed that updated policies and procedures on dealing with Condensation, Damp and Mould have been prepared, and that the policy will go to the next Investment Sub-Committee for approval.</p> <p style="text-align: right;"><i>Noted</i></p>
15	Any Other Competent Business
15.a	<p><u>Allocation of lock-up to close relative of staff member</u></p> <p>Board noted that the application for the lock-up was reviewed using Atrium’s normal procedures and was assessed and validated by two members of staff. The staff member who is a relative of the applicant was not involved in the allocation process.</p> <p style="text-align: right;"><i>Noted</i></p>
16	Date of Next Meeting – Tuesday 29 August 2023 at 6:15 p.m. (in person)
	<i>Noted</i>
	The meeting closed at 7:10 p.m.

Chair:

Date: