

## ATRIUM HOMES

### Minutes of Meeting of the Board held on Tuesday 29 August 2023

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

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

**Attending:** Jennifer Steell (Finance & IT Manager, FM), Barry Lees (Director of Investment, Dol), 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	
<b>1</b>	<b>Apologies</b>
	Ken Tudhope, Julie Templeton, Alan White
	<b>Treasury Management and Economic Overview (training)</b>
	<p>Board welcomed Peter Freer of Allia C&amp;C to the meeting. Peter set out for Board's information the key aspects of the organisation's Treasury Management Policy and set out the key aspects of the Board and senior management's areas of responsibility.</p> <p>The organisation's Treasury Management Policy is well set out and easily understandable; Peter made a number of recommendations of minor changes which might be included in the policy to further strengthen the document. Peter noted that the current policy allows Atrium to have as much as 75% of its borrowing on variable rate arrangements, and noted that in practice, Atrium has a greater than 25% proportion of its loans on fixed rate arrangements.</p> <p>It was recommended that the fixed : variable ratio in the policy be reviewed to provide for a higher proportion of borrowings to be on fixed rate arrangements which will reduce interest rate exposure risk and more closely reflect the cautious approach adopted by the organisation in practice.</p> <p>Peter provided Board with an update on the current economic climate and the most recent projections by economists on what was likely to happen with inflation and the likelihood of further increases to the Bank of England's (BoE) base rate as it tries to cool inflation. A discussion was held on the current pressures in the economy, rising costs and the causes of core inflation which might result in inflation remaining higher than the BoE's 2% target and so result in the cost of borrowing increasing. Peter noted that current predictions of where the base rate would peak have reduced from earlier predictions.</p>

	<p>Board had a discussion on budgeting and sensitivity scenarios which might be considered when the following year's budgets are being reviewed. Board also agreed that, with the economic climate changing at the fast pace currently being experienced, it is prudent that the current year's budgets be reviewed regularly and the results re-forecast throughout the year.</p> <p>Finally, the Board had a discussion on how they obtain sufficient assurance on Treasury management recommendations from senior staff and the support that an independent advisor and up to date, independent economic data can provide to ensure that Board know that the data they are presented with is robust and appropriate.</p> <p>Board thanked Peter for his time and he left the meeting</p>
<b>2</b>	<b>Declarations of Interest</b>
	None noted
<b>3</b>	<b>Minutes of Meeting on 27 June 2023</b>
	<p>It was noted that paragraph 1 of item 9 contained a typo. Subject to this one change, the minutes of the meeting of the Board held on 27 June 2023 were reviewed and approved.</p> <p style="text-align: right;"><i>Approved for publication subject to one correction</i></p>
<b>4</b>	<b>Matters Arising</b>
	<p>a) Board noted the updates given on actions arising from previous meetings, and progress made to date.</p> <p style="text-align: right;"><i>Noted</i></p> <p>b) Board noted that Atrium is up to date with all compliance requirements.</p> <p style="text-align: right;"><i>Noted</i></p>
<b>5</b>	<b>Applications for membership</b>
	<p>Board noted that applications for membership received from ten individuals who were tenants of Atrium Homes were put to the meeting, and the Board approved these.</p> <p style="text-align: right;"><i>Approved</i></p>
<b>6</b>	<b>Amendment to Sub-Committee Meeting Dates</b>
	<p>Board noted the proposal from staff that each of the Sub-Committee dates for the second half of the year be one week later than originally planned. This would still allow sufficient time for papers to be submitted to the Board meetings.</p> <p>Board approved the changes to the dates for the next two quarters' Sub-Committee meetings.</p> <p style="text-align: right;"><i>Approved</i></p>
<b>7</b>	<b>Strategic Risk Register</b>
	<p>Board noted the contents of the paper which detailed the review undertaken to date and the plans for developing the risk registers further which had been discussed in detail at the Finance, Audit &amp; Staffing Sub-Committee on 21 August 2023.</p> <p>Board noted that the Strategic risks now showed which Sub-Committee deals with business matters which would impact on or mitigate the risks identified and noted</p>

	<p>that in future the Sub-Committees would receive a note of the strategic risks which were pertinent to the business discussed at the meetings so that the impact on these of any discussions held or approvals requested could be assessed.</p> <p>A Board member asked that the risk scores attributed to the impact of inflation and interest rate rises be considered in light of the latest economic predictions shared with Board today and the ever-increasing costs being experienced.</p> <p>Board also asked that Strategic Risks be included on meeting agendas as a standing item to ensure that Board give consideration to events or experiences which would result in risk scores changing or in the addition of new / emerging risks for the business.</p> <p>Board approved the updated Risk Register and the proposed work to develop this further.</p> <p style="text-align: right;"><i>Approved</i></p>
<b>8</b>	<b>Policy Reviews</b>
	<p>Board noted the contents of the paper and the policies which had been reviewed at Sub-Committee.</p> <p>Board further noted that a small number of policies had not been finalised for Board review and would be presented for approval later in the year, as they were currently being reviewed by an employment law advisor.</p> <p>Board endorsed the updated policies approved by the Sub-Committees.</p> <p style="text-align: right;"><i>Approved</i></p>
<b>9</b>	<b>Finance, Audit &amp; Staffing Report</b>
	<p>a) Board noted the minutes of the Finance, Audit &amp; Staffing Sub-Committee (FASSC) meeting held on 21 August 2023 were a good summary of matters considered during the meeting.</p> <p>It was noted that the HFF21CLS expenditure in quarter 1 was ahead of budget due to more houses than anticipated having been improved. FM and CX have been tasked with reviewing the budgeted proportions of capitalised vs expensed spend on HFF21CLS and updating the forecasts for the remainder of the year.</p> <p>SF asked whether, with the change to the Interest Cover Covenant, the fact that some of the HFF21CLS spend is being expensed through the Operating Surplus instead of being treated as capital would create difficulties with Atrium's headroom on this covenant. CX noted that there had been sufficient headroom in the renegotiated covenant for 2023/24 for this not to create any shortfall.</p> <p>Board noted the contents of the minutes.</p> <p style="text-align: right;"><i>Noted</i></p> <p>b) Board considered the results reported in the Quarterly Performance Reports to 30 June 2023 and the key areas which had been discussed at FASSC on 21 August 2023 as noted in the minutes of the meeting.</p> <p>FM noted that while the surplus was in line with Budget for quarter 1, this was due to HFF21CLS expenditure being allocated to revenue expenditure instead of all being capitalised as per the budgets. Void repairs are lower than budgeted as,</p>

	<p>while the volume of voids has been as per budget, the average cost of repairs has been lower; with voids needing less work than budgeted, this has enabled the Operations team to relet the void properties faster which has contributed to a lower than budgeted void loss. Interest costs are also lower than budgeted as a result of the budgets providing for interest rates to be higher sooner in the financial year than they have actually been.</p> <p>Board approved the Quarterly Performance Reports.</p> <p style="text-align: right;"><i>Approved</i></p>
<b>10</b>	<b>Investment Report</b>
	<p>Board noted the minutes of the Investment Sub-Committee (ISC) meeting held on 8 August 2023 were a good summary of matters considered during the meeting.</p> <p>The spend to date on Adaptations was noted, along with the grant funding which is received to assist with the cost of these works. Future discussion is likely at the ISC in relation to self-funding smaller adaptations.</p> <p>Board noted that the contractual arrangement with the HFF21CLS contractor has been reviewed and that the delays in the contract which had resulted from the COVID-19 pandemic were unforeseen circumstances which enable the contract to be extended beyond its original expiry date. A report has been requested from Atrium’s Cost Consultant which will enable ISC to compare the costs being quoted in the extended contract against average costs being quoted in the wider marketplace to assess value for money.</p> <p>DoI noted that Atrium is liaising with another contractor which has offered to assist the organisation in securing grant funding for External Wall Insulation works which had previously been delayed due to the cost becoming prohibitive.</p> <p>ISC approved procurement exercises for QS services associated with cyclical contracts and procurements for a new gas maintenance contract and landscape maintenance contract upon appointment of the QS.</p> <p>Finally, Board noted that Atrium continues to seek off the shelf acquisitions on the open market which would be a strategic fit for the existing housing stock, and that the Scottish Government has mooted a change to the grant funding available for these acquisitions. ISC will be updated at their next meeting.</p> <p>Board noted the minutes of the Investment Sub-Committee meeting.</p> <p style="text-align: right;"><i>Noted</i></p>
<b>11</b>	<b>Operations Report</b>
	<p>Board noted the minutes of the Operations Sub-Committee meeting held on 10 August 2023 were a good summary of matters considered during the meeting.</p> <p>In particular, staff were commended for their good performance on Arrears levels given the challenging environment for tenants who are suffering from the cost of living crisis.</p> <p>Board noted that a new Tenant Engagement &amp; Empowerment Strategy had been reviewed at the meeting, and that an action plan for the remainder of the year was discussed at the meeting.</p>

	Board noted the minutes of the Operations Sub-Committee meeting. <i>Approved</i>
<b>12</b>	<b>Complaints, SAR and FOI Requests</b>
	Board noted the contents of the report. There had been a number of complaints received in the first quarter which were as a result of tenants' dissatisfaction with the workmanship or time delays experienced in the HFF21CLS works; a small number of these complaints were not resolved within the timescales required as staff required to liaise with the contractor, but overall the organisation's average time to resolve both stage 1 and stage 2 complaints is well within the timescales required.  Staff continue to work with the HFF21CLS contractor to ensure that communication is adequate where work is delayed, and that work is completed to an acceptable standard before it is signed off by Atrium.  CX noted that all four FOI requests received in the quarter were responded to within the required deadlines.  <i>Noted</i>
<b>13</b>	<b>Pre-AGM Arrangements Compliance Statement</b>
	Board noted that the organisation has complied with the requirements of its Articles of Association and the Compliance Statement was noted.  <i>Noted</i>
<b>14</b>	<b>Health &amp; Safety (Standing Item)</b>
	DoI noted that there had been public liability claim made to our insurers as a result of a tenant's family member slipping and falling on the stairs outside their house. The team is working to resolve the root cause of the issue with the stairs and an update will be provided to Board in due course.  <i>Noted</i>
<b>15</b>	<b>Any Other Competent Business</b>
	a) <u>Additional Board day in October or November 2023</u> Board members considered the request for an additional Board session to review the asset strategy data which the Investment team is currently working to collate, and it was agreed that the first two weeks of November were best. Management were asked to provide the Board members with as much advance notice as possible.  <i>Approved</i>
<b>16</b>	<b>Date of Next Meeting – Tuesday 26 September 2023 at 6:00 p.m.</b>
	<i>Noted</i>
	The meeting closed at 7:35 p.m.

Chair: .....

Date: .....