

## ATRIUM HOMES

### Minutes of Meeting of the Board held on Tuesday 25 February 2020 at 6.00pm in the offices of Atrium Homes, 14 Central Avenue, Kilmarnock

**Present:** Joe Keen, Jim O'Neill, Graham Piggott, Alistair Reid, Ken Stewart, Marie Coyle, David Sherlock and Angela Milloy.

**Attending:** Stephen Black, Chief Executive; Celia Taylor, Director of Investment; Joyce McCroskie, Director of Operations; Valerie Wilson Head of Finance & Corporate Services; and Shelley Hunter, PA/Corporate Administrator.

**Observing:** Rory Ross

**Chair:** Joe Keen

The Chair opened the meeting by asking everyone to confirm that they had read and understood the papers, which had been circulated via Dropbox the week prior to the meeting.

Confirmed

#### **Declarations of Interest**

There were no declarations of interest.

#### **1. Apologies**

There were no apologies.

#### **2. Minutes of Previous Meeting**

**Minutes of the Board Meeting on 28 January 2020** – The minutes (previously circulated) of the meeting of the Board held on 28 January 2020 were submitted for approval.

Staff gave an update on the meeting with East Ayrshire Council regarding SHIP. Board will be kept up to date on any further actions.

Staff gave an update on the flood damaged properties in Shortlees. The works are due to be complete on the 3<sup>rd</sup> March 2020.

There being no further comments or questions, the Board approved the minutes as an accurate record of the meeting and approved them for publication.

Approved for publication

#### **3. Matters Arising**

**Board Actions** – The Chair gave a brief update on the items still outstanding including the Clydesdale Bank and the £3m drawdown.

Noted

## 4 Finance Report

- 4.1 **Minutes of the Meeting of the Investment Sub Committee of 12 November 2019** – the key items from the minutes were highlighted and discussed including the position with staff pensions, the internal audit and the Nether Robertland grazing let.

*Noted*

- 4.2 **Financial Performance Report to 31 December 2019** - Board was invited to note the content of the Financial Performance Report and staff sought any questions.

In response to questions, staff explained depreciation and what it means in terms of housing stock.

There being no further questions or items to note, Board was asked to note Atrium's financial position as at 31 December 2019.

*Noted*

- 4.3 **Management Accounts to 31 December 2019** – Board was invited to note the Management Account to 31 December 2019.

*Noted*

- 4.4 **Treasury Management Report as at 31 December 2019** – Board noted the content of the treasury management report.

Board asked which account the 3m drawdown is in and staff advised it is currently in the Clydesdale account.

*Noted*

- 4.5 **Internal Audit Report on Pension Administration** – Board was invited to note the content of the Internal Audit Report on Pension Administration.

Staff accept the findings of the report, which makes a number of recommendations. Some important changes have been put in place already to ensure this type of situation cannot occur again, including dual control and multiple points of oversight of both salary and pension administration in-house.

Staff answered questions from Board regarding why this was not picked up by the auditors during the internal audit and when they expect this process to be complete.

Committee was invited to note the contents of the Internal Audit report on Pensions Administration and the actions taken to date to correct the situation. It was requested that finalisation of these matters is remitted to staff who will report back to Committee on progress in due course.

*Approved*

- 4.6 **Revised Terms and Conditions of Employment** - Board was invited to approve the revised terms and conditions of employment presented by the Working Group set up to review them.

Board discussed the revised terms and conditions of employment in depth and focussed on the adoption of the EVH terms and conditions in regards to public holidays. A number of Board members queried the adoption of the EVH public holidays and in particular the office being closed on 3<sup>rd</sup> January.

The following comments/questions were raised:

- Why should the staff be given another 2 days public holidays
- Why adopt that part of the EVH terms and conditions but not others
- Are our contractors open on these dates
- What benefit does this have for our tenants

The Working Group members explained the rationale behind their recommendations including:

- To make Atrium's recruitment package attractive to potential employees who, could perhaps be coming from another RSL where these terms and conditions are already adopted
- Being affiliate members of EVH, Atrium does not recognise other conditions that many other RSL's do including, continuity of service for pension purposes etc.
- The majority of Atrium's peers, contractors and suppliers are closed on the 3<sup>rd</sup> of January

Following further discussion, Board approved the revised Terms and Conditions of Employment, with the exception of 3<sup>rd</sup> January being a public holiday and requested that they be passed back to the working group for further consideration of this point and brought back to Board at a later date.

Rejected

## **5 Draft Budget**

The draft 2020/21 budget was presented to Board for consideration and to highlight key variances from the current business plan.

Staff highlighted the key points of the report including:

- The budget shows that the Organisation will be fully covenant compliant,
- Gearing ratio is expected to remain at 61%,
- The levels of cash balances are remaining at £4.0m. This includes £3.0m of the current facility being drawn down.

A typing error was highlighted on page 2 of the cover document – The Sunnyside new build development will be due to complete in August 2020 not August 2021.

There being no further comments, Board was asked to note the Draft budget for 2020/21.

Noted

## **6 Insurance Tender Outcome**

This paper was to update the Board on the outcome of the tender exercise for the Insurance & Related Services 2020-23/5 and to seek approval to accept the most economically advantageous tender (MEAT) based on a 40% quality/60% price ratio.

Discussion took place on the pros and cons of using an insurance broker.

Board was asked to approve Bruce Stevenson Insurance Broker as the preferred contractor for the Insurance & Related Services Contract 2020-23/5 and to accept the tender total after checking and validating the insurance cover proposed,

obtaining satisfactory credit checks for all organisations involved and receipt of all relevant documentation.

Approved

## **7 Operations Report**

- 7.1 **Minutes of the Operations Sub Committee Meeting of 14 Feb 20** – The Minutes of the Operations Sub Committee Meeting of 14 February 2020 were presented for information.

Board discussed the current tenants debt write offs and the level in which arrears should be reported to Board.

There being no further comments, Board noted the content of the minutes.

Noted

- 7.2 **Update on Eviction Cases** - Board was invited to note the action taken on the previously approved eviction.

Noted

- 7.3 **Service Charges Policy & Approach** – The purpose of this report was to update Board on plans to review the way Atrium calculates and applies charges related to additional services. It was highlighted to Board that a review of the application of service charges was required when the Service Charge Policy was recently reviewed.

Staff propose to look at an alternative way to raise the costs attributable to the remaining service charge elements and to proceed on a completely different footing. The first element of this is to have a complete rethink of approaches

Staff wished to proceed on the principles contained within the report but to allow a 'clean' introduction of the new rules would request that no service charges are raised against properties this year. Any new service charge arrangements (or alternatives to them) will then commence from 2021/22 on a clean slate as Year 1.

Following discussion, Board approved the removal of service charges for 2020/21.

Approved

- 7.4 **Policies for Review – Rent Policy** – The rent policy has been updated to reflect operating practises. The primary changes in the policy are summarised below:

- The points value for 2020/2021 updated to reflect the approved 2.6% increase

The rent policy will be considered again by Board when the service charges review is complete.

There being no comments or questions, Board approved the Rent Policy.

Approved

## **8 Investment Report**

- 8.1 **Minutes of the Investment Sub Committee of 12 February 2020** – The Minutes of the Investment Sub Committee Meeting of 12 February 2020 were presented to Board for information.

Noted

- 8.2 **Award of the gas servicing and maintenance contract 2020/24** - This paper was to update Board on the outcome of the tender exercise for the Gas Central Heating Servicing and Reactive Maintenance including Audit and Out of Hours Call-out Service Contract 2020-24 and to seek approval to accept the most economically advantageous tender (MEAT) based on a 70% quality/30% price ratio.

Board was invited to approve the following:

1. approve James Frew Ltd as the preferred contractor for the Gas Central Heating Servicing and Reactive Maintenance Contract, including Audit and Out of Hours Call-out Service for 2020-21 and to accept the tender total after checking and correcting of errors amount to £65,733.26 (core works only), subject to a satisfactory credit check and receipt of the relevant documentation.
2. approve Option 1 for the first year and, subject to satisfactory performance, the opportunity to change to Option 2 for year two.

Board considered the report and approved points 1 and 2 above.

Approved

## 9 **Atrium Initiatives Report**

**Draft Minutes of the Board meeting of 3 December 2019** – The Minutes of the Initiatives Board meeting of 3 Decembers were presented to Board for information.

It was highlighted that item 5, at bullet point one, had missing figures.

There being no further comments, the minutes were noted.

Noted

## 10 **Complaints and FOI Requests Report**

Board noted the content of the complaints report which contained complaints, compliments, subject access requests & freedom of information requests received and completed from 1 October to 31 December 2019.

Board considered the report and commented that it was not clear what the stage 2 investigation complaint in relation to policy dissatisfaction was about. Staff advised the content of the report will be re-visited for the next meeting to make it clearer.

There being no further comments, Board noted the content of the report.

Noted

## 11 **Board & Sub Committee Meetings Schedule 2020/21**

Board was invited to approve the proposed meeting schedule for Board and Sub Committee Meetings 2020/21.

After consideration, Board approved the meeting schedule and the Chair asked members to add the dates to their diaries.

Jim O'Neill gave apologies for April and May Meetings.

Approved

## 12 **Board Training**

Board noted the training report and the chair advised that if anyone was interested in attending any of the training sessions, they should contact the Administrator.

**13 Eydent**

Nothing to report.

**14 Ongoing Assurance Confirmation**

14.1 Discussion took place regarding the ongoing assurance requirements and in particular the requirement for this to be on the agenda at every meeting. It was agreed that this will continue to be an item on the agenda. Staff also reminded Board that they will be required to produce a new assurance statement by 31 October 2020.

**15 Any Other Business**

There was no other business.

The meeting closed at 7.50pm.

Chair: .....

Date: .....