



CHAIR'S REPORT

Dear Members

Welcome to Atrium Homes' Annual Report for 2015/16.

I would like to address not only the past year, but to comment also on our future plans, the foundations for which have been laid over that time.

This report covers a period of significant change within Atrium. In the course of 2015/16, we completed and moved into our new office in Shortlees, upgraded our IT infrastructure, and reviewed and launched Atrium Property Services, the repair service delivered by our subsidiary Atrium Initiatives. Over and above this, all our staff received enhanced customer care training to help improve our customer experience, while Atrium Homes achieved Investors in People Gold Accreditation, reflecting our position as a first class employer.

Our staff and Board also reviewed our longer term vision, mission and values to bring them into line with our new role as a community based landlord, and redefined our operational approaches to help us connect better with our customers. Our new Vision is based on three central pillars:

- Sustainable communities
- Quality affordable housing, and
- Life chances for people.

As we move forward, we will use these elements to help determine which types of activities we will engage in and we will measure our success (or failures) in terms of

whether those activities have helped deliver our vision. At the same time, we thought about how we will work with customers and stakeholders to deliver our vision and this can be distilled into three simple words that describe how we all wish Atrium to be seen:

consultative; collaborative; creative.

These different factors are important because they will help provide the context for our activities as we go forward.

Equally, our present and future financial capacity is crucial to everything that we do and aspire to do. Financial wellbeing is the strong foundation upon which we can build and so I am again very pleased to advise that the company continues to enjoy excellent financial health and long term stability. Our financial position has been reviewed by our external auditors, Alexander Sloan & Co, and they are satisfied that our financial statements are an accurate and fair representation of our position.

I am delighted to confirm that because of this, Atrium has been able to obtain further finance to build 43 new properties in Shortlees, while elsewhere we plan to convert a number of larger properties to provide smaller homes for single people.

Turning to services, I am also pleased to confirm that our Money Advice Service will continue until at least March 2019 and that our Board has agreed to create new posts to help improve services and establish the type of project based activities that will deliver better life chances for people within our communities.

Good governance is also an important aspect of our plans and Atrium benefits from having a very knowledgeable and hardworking group of Directors, overseeing our activities. Our Directors are not paid for their commitment to your company and I would like to thank them especially for that commitment. Individually, they are an eclectic mix of personalities and experiences, and collectively they add considerable value to the smooth running of Atrium.

Careful planning for the future takes place at Board level. As we know, members must stand down eventually, so we are always keen to encourage new people to step up and join us at the Board. This time last year we welcomed three new Board members who served during the period of this report and I am pleased they will continue to serve this year. Maintaining the mix of new and experienced Board members will help ensure stability in the delivery of our longer term vision.

Finally, it falls to me to thank both my fellow Board members and the entire staff team for their support and hard work over the last year. Their efforts make my role as Chair that much easier.

Jim O'Neill

Chair, Atrium Homes



BOARD OF DIRECTORS

Atrium Homes is a company limited by guarantee and a registered Scottish charity. It is governed by a Board of Directors who are all volunteers and receive no payments, but who give their time freely to support the good governance of the organisation. There are 12 places on the Board and details of who served during the year are shown below.

At the AGM in 2015, three Directors left the Board, having given years of long service to Atrium. As part of our commitment to maintaining good governance through effective succession planning, a recruitment drive carried out in the year saw two new members elected to the Board at the AGM in August 2015, followed by two further co-optees.

The Board met eight times in the course of 2015/16 to conduct its routine business and in addition held a business planning meeting, specifically aimed at addressing the longer term strategic direction of the company. The overall average attendance at Board meetings in the year ran at 75%. Directors of the company who served on the Board during the year are shown below.

Regulatory Plan

Like all RSLs in Scotland, Atrium Homes is subject to regulation by the Scottish Housing Regulator (SHR), which publishes an annual regulation plan, setting out the level of engagement it expects to have with each organisation and the rationale behind it. Atrium's current level of engagement with the SHR is 'low'.

NOT PICTURED BELOW:

All resigned at AGM

- > MARGARET PECK
- > MAX GRIFFITHS
- > JACKIE MCINTOSH



JAMES O'NEILL Chair from August 2013



GRAHAM PIGGOTT
Vice Chair from August 2014



MARIE COYLE



CLAIRE GOWER



DAVID AITKEN



ALAN GRANT



KEN STEWART

Elected August 2015



JOE KEEN

Elected August 2015



KARA ALKER

Co-optee - August 2015



SALLY TURNERCo-optee - August 2015

Finance

OVERVIEW

- There was an 8.1% increase in overall turnover from last year, 3.2% of this is due to inflationary increases applied to rental income. The remainder is due to an increase in grant income and income due from Atrium Initiatives. In expenditure terms, operating costs as a percentage of income increased slightly from 59% in 2015 to 64% in 2016. This increase is due to a rise in reactive repair costs experienced within the year. We continued to control costs and performed favourably within the short and long term budgets set, posting another operating surplus in the year. This will be used to fund the future planned maintenance programme across all our housing stock.
- Successfully managing the financing of our core activities remains a key priority and this remains on track with our previous performance in this area.
 Further investment in the planned maintenance programme was made in the year, in relation to replacements of heating systems, boilers, roofing, bathrooms and rewires.
- We continue to manage our finances with a long term perspective.
 Opportunities will always be weighed up as they arise and we are keen to ensure that we maximise value for money outcomes for our tenants.

8.1%

Increase in turnover

RISE IN REACTIVE REPAIR COSTS



Maximising value for money for our tenants is a key aim.

SUMMARY INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016 & COMPARATIVE

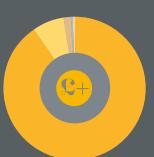
	2015/16	2014/15
Turnover	5,180	4,790
Operating costs	(3,294)	(2,825)
Operating surplus	1,886	1,965
Gain on sale of housing accommodation	6	16
Interest receivable	33	33
Interest payable	(612)	(676)
Other finance charges	(11)	(42)
(Deficit)/surplus for the year	1,302	1,296
Reserves brought forward	13,064	11,768
Reserves carried forward	14,366	13,064

All figures shown left are in £,000s

INCOME	TOTAL £,000	As %
Rents	4,725	90.5%
Other	374	7.2%
Medical Adaptations	81	1.6%
Interest Receivable	33	0.6%
Gain on RTB Sales	6	0.1%
TOTAL	5,219	100%

EXPENDITURE	TOTAL £,000	As %
Maintenance	1,423	36.4%
Depreciation - Social Housing	741	18.9%
Loan Interest	612	15.6%
Management	777	19.8%
Other	235	6.0%
Medical Adaptations	81	2.1%
Bad Debts	37	0.9%
Other Finance Costs	11	0.3%
TOTAL	3,585	100%

INCOME



90.5% RENTS

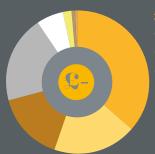
7.2% OTHER

1.6% MEDICAL ADAPTATIONS

0.6% INTEREST RECEIVABLE

0.1% GAIN ON RTB SALES

EXPENDITURE



36.4% MAINTENANCE

18.9% DEPRECIATION SOCIAL HOUSING

15.6% LOAN INTEREST

19.8% MANAGEMENT

6.0% OTHER

2.1% MEDICAL ADAPTATIONS

0.9% BAD DEBTS

0.3% OTHER FINANCE COSTS



MONEY MANAGEMENT 9.

We collected

99%

of rent due

Rental payment is our main source of income and ensures the financial viability of Atrium and our ongoing ability to invest in services, properties and communities.

In 2015/16 we:

- · Collected over 99% of rent due over £4.66 million.
- Reduced gross rent arrears to 3.58%, down from the previous year.
- Received over 70% of our income from Housing Benefit. The value of direct housing payments received during the reporting year represented over £2.7 million.
- Served 216 Notice of Proceedings with 24 court actions initiated. This represents a 15% increase in NOPs served and continues to reflect our systematic approach to debt

management. Staff continue to work with tenants who are the subject of legal action to make reasonable repayment arrangements and refer them to our in-house Money Advice Team to ensure all support is in place to try and manage the arrear.

- Carried out four evictions against tenants who did not engage with Atrium and did not find a solution to their debt problems.
- Helped the first few applicants for Universal Credit to understand the new welfare benefit, following its implementation in February 2016. With a high proportion of rental income coming from direct housing payments, we still await the full impact of the introduction of Universal Credit.

ESTATE MANAGEMENT & ANTI-SOCIAL BEHAVIOUR

We are committed to working alongside partners in your communities and with you, to help support and improve the environment and the communities you live in. We are committed to tackling antisocial behaviour in a responsive and robust way. We work hard with you and partner agencies to challenge, prevent and stop it.

In 2015/16 we:

 Dealt with 85 complaints of antisocial behaviour, representing a decrease of over 20% from the previous year. The majority of complaints were for minor breaches of tenancy, simply requiring staff to speak to the parties involved.



- Resolved over 91% of cases within prescribed timescales.
- Issued notices and recovered eight properties that were identified as abandoned.
- Carried out regular estate inspections to ensure a high standard of grounds maintenance and cleanliness.
- Completed weekly checks of all communal areas within flatted blocks to make sure they are being maintained and identify areas for improvements.
- Continued sitting on the Steering Group for Our Place Shortlees, progressing the Community Action Plan.



TENANT PARTICIPATION

We listen to our customers and are committed to involving them in the decision making process to ensure their views are taken into account and services improved.

In 2015/16 we:

- Conducted a full consultation exercise on the annual rent increase using a variety of media. We received 53 replies, a considerable increase from previous consultation exercises, but we would like more.
- Carried out a consultation exercise of all tenants regarding the office move and requirements for the new office.
- Held an event at the Park

- Hotel with a focus group, hosted by the Tenant Information Service, to consult on the proposed office move.
- Asked previous service users of the Money Advice service how they would like to see the service develop.
- Issued two newsletters, sent out updates on Universal Credit and issued adhoc information flyers.
- Increased the use of social media through SurveyMonkey, email contacts and SMS messaging.
- Continued to support two Registered Tenant Organisations.

ALLOCATIONS & VOIDS

We let houses within a reasonable period to people in need. We work hard to make sure they are repaired to an acceptable standard for new tenants.

In 2015/16 we:

- Re-let 95 properties
- Made 255 formal offers to achieve the 95 lets.
- Allocated 40% to applicants on the Waiting list, 19% to the Transfer list, 33% to the Homeless list and the remaining 8% to the Strategic Needs list and the Outwith The District list. We were delighted to make such a significant contribution to reducing the number of homeless households within East Ayrshire, exceeding our target of lets to applicants on this list by 21%.
- Helped process a share of 3,300 new housing applications, bringing the total number of housing applicants on SEARCH, East Ayrshire's Common Housing Register, to 4,343.
- Had only 12 void properties at 31 March 2016.
- Terminated and repaired 106 properties during the year, representing just under 10% turnover of our stock. This was consistent with previous years.
- Took an average of 30 days to re-let our properties, reducing this time by almost 50% on the previous year, and reflecting improvements in the lettings process and the maintenance turnaround of empty properties.
- Significantly reduced void loss to 0.81 compared with the previous year's total of 1.45%.



Case Studies

Sometimes it calls for patience and determination to help customers receive their entitlement. Here are a couple of examples of how our Money Advice Team has helped customers increase their incomes.

EXAMPLE 1

Mrs Y's husband passed away and as he had been the main claimant for benefits, she found herself with no income once she had notified them of his death. This was a very distressing and emotional time for Mrs Y as she was coming to terms with the death of her husband.

Our Money Advisor assisted Mrs Y to make an application for Employment Support Allowance, Bereavement Allowance, Bereavement Payment, Housing Benefit, Discretionary Housing Payment (DHP) and a Blue Badge, as well as a Scottish Welfare Fund Crisis payment.

Mrs Y received £2,000 from Bereavement Payment. Housing Benefit and DHP are now also in place. A Blue Badge has been awarded which allows Mrs Y's daughters to park in disabled bays while on outings with their mother.

We will continue to support our tenant until a decision has been made on her PIP application.

EXAMPLE 2

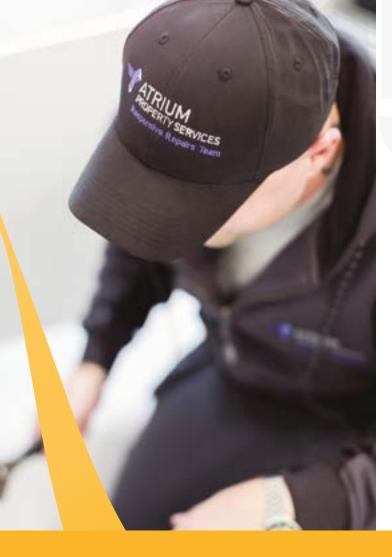
Mrs X was joint tenant with her son.

Our Money Advisor completed a benefit check, and then helped Mrs X to apply for Housing Benefit and Council Tax Rebate. This was backdated for a period, because Mrs X had not been aware of her entitlement as she was still employed.

During interview, Mrs X disclosed she was having mobility issues and as a result very seldom left her home. Our Money Advisor helped Mrs X with a further application for additional benefits, including Personal Independence Payment and Employment Support Allowance.

On award, Mrs X's household income increased by £10,365.94 annually.





REACTIVE REPAIRS

We want our customers to enjoy warm, safe and well maintained homes, and are fully committed to the ongoing maintenance of our properties.

In 2015/16 we:

- Recorded and processed 3,420 one-off repair requests (approximately 65 per week):
 - 354 were emergency repairs (30% less than last year). On average, these took 2.64 hours to complete from the time reported (down from 3.11 hours last year).
 - 3,066 were non-emergency repairs, completed in an average of 4.14 days (down from 5.09 days last year).
 - on average, each property within the stock had 3.08 repairs carried out over the year, a small increase from the previous year.
- Completed 92% of all repairs right first time.
- Kept 97% of repairs appointments.

of repair appointments kept



GAS REPAIRS

Atrium had 1,122 properties with gas installations requiring to have an annual landlord safety check carried out. We fulfilled our statutory obligation, with 100% of these properties having their Certificate (CP12) renewed before their anniversary date.



MEDICAL ADAPTATIONS

We believe it is important to help people who have support needs to live independent lives. With funding of £82,000 from the Scottish Government, we were able to undertake a range of medical adaptations for the year including:

- 15 wet floor showers
- 10 handrails
- 12 grabrails
- 1 stairlift
- 12 bannisters











NEW BUILD ACTIVITY

New Offices in Shortlees

Atrium had previously acquired the former Shortlees Parish Church on Central Avenue and cleared the site in preparation for our new build office. McTaggart Construction of Dalry took full possession of the site on Monday 16 March 2015 and began Stage 1 Building Warrant works, i.e. foundations, substructure and underground drainage. All statutory approvals were in place to allow the main building works to continue throughout the course of the year to achieve the desired outcome. We relocated to the new premises at the end of November, and our lovely new office opened to the public on Thursday 3 December 2015.







Earlston and Blacksyke Avenue Regeneration Proposals, Shortlees

A further proposal to build approximately 40 units providing 1 and 2 bedroom properties – on the cleared site of the former BISF properties - was included within East Ayrshire Council's Strategic Housing Investment Plan 2015/16 - 2019/20 and approved by its Cabinet. We received the anticipated Programme Agreement from the Scottish Government in July 2015. This allowed us to take these proposals forward for consideration by our Board and their approval to complete the regeneration proposals for this site. Early design considerations began during the year, with a view to developing proposals to achieve a site start in early 2017.

Remodelling & Reconfiguration of Existing Stock

In the context of our Asset Management Strategy, we continued to develop options for two considerations: to convert the three flats at Russell Court, New Farm Loch, into six smaller units; and to review the 4-in-a-block Atholl Steel property type in Shortlees, to establish if changes could be made to improve the internal layout.

Russell Court, New Farm Loch

We received Planning Approval in June 2015 for the conversion of the 3 bedroom units at Russell Court into six smaller 1 bedroom, two person units. We issued tender documents to a number of contractors later in the year, to achieve the most economically advantageous cost for the conversion works. We also started discussions with the Scottish Government to establish if funding was available to assist the development; and with East Ayrshire Council to help determine the best end use for the units.

Atholl Steel Properties, Shortlees

We held an Open Day on 15 September 2015 in Shortlees Community Centre to help us get a better understanding of the issues highlighted by customers living in the Atholl Steel properties. We also wanted to try and clarify if we could address some of the different issues identified from the doorstep survey undertaken earlier in the year. We presented several 'themes', representing the broad range of views on size, layout and performance of the properties, and tenants completed a questionnaire to offer their views on these.

When a number of these properties became void, staff looked at some of the options presented to tenants. We then employed CCG to undertake the works, which included slight reconfiguration to the bathroom layouts and adjacent bedrooms, along with replacement of the bathroom suites. Work was carried out in March 2016, after which we invited tenants who had attended the Open Day to view the properties and offer their feedback on whether they thought the investment had improved the current layout. The feedback received was positive and so it is planned to offer this element of reconfiguration works to all tenants within the Atholl Steel properties.

MAJOR REPAIRS AND IMPROVEMENTS

Planned Investment 2015/16

Forster Roofing Specialists completed the 2/3 year programme of roof related works during this year, while CCG (Scotland) Ltd moved into year 2 of the programme for planned investment in our stock.

- During 2015/16 we replaced 2 roofs, including fascias and gutters, and 147 bathrooms; carried out 41 electrical installations; and installed seven shower units, 22 A-rated condensing boilers, and one full gas central heating system. This was mainly across homes in Shortlees, Burnpark, Galston, Kilmarnock Central, Lainshaw, New Farm Loch and Onthank.
- Where required, we also installed and electrically tested mechanical ventilation in kitchens and bathrooms, and Smoke, Heat and CO Detectors as part of these works.
- In addition, we undertook essential electrical repairs as recommended following the cyclical electrical testing.

Figures for planned activity in 2015/16:

Scope of Works	No of Units
Bathrooms	147
Boilers	22
Electrical Installations	41
Gas Central Heating System	1
Shower with Tray	7



Cyclical Maintenance

- During this year, CCG also undertook a programme of cyclical maintenance, including electrical testing, gutter cleaning and external paint work. As with the planned activity, this has continued across the programme period.
- The core cyclical activity of gas servicing and landscape maintenance proceeded as scheduled, undertaken by James Frew Ltd and Nurture Landscapes Ltd, respectively.

Atrium Initiatives - Services Activity

Our subsidiary Atrium Initiatives continued to provide follow-up development services to East Ayrshire Council on their 10 unit housing project at Skeoch Road, Mauchline, and for ANCHO on their two recently refurbished maisonette blocks in Irvine.

Atrium Initiatives also provided development services to Barrhead Housing Association to deliver a new housing development of 15 flatted units at Darnley Road, Barrhead. Works started for this project in May 2015.

Community & Events



OFFICE OPENING

In December 2015, our new office in Shortlees was formally opened by Mrs Winnie Campbell, who at 100 years (and counting!) is our oldest and - we believe – longest tenant. It was a pleasure to welcome Winnie to our new office and have her cut the ribbon, marking another phase in the life of the Shortlees community.

APS RELAUNCH

At the end of the year, we were preparing to relaunch Atrium Property Services, which took place at the beginning of April 2016. The work in 2015/16 involved redefining the roles of the operatives - moving away from single trade towards multi-skilling - and introducing new terms and conditions of employment to reflect the change. This is an important step for Atrium as it helps ensure greater flexibility among our staff team (something that we look for across the organisation), along with better efficiency and ultimately better value for money.

The new liveried vans and logo make the Atrium Property Services team instantly recognisable to all our customers.





WE GOT GOLD!

In December 2015 we were delighted to achieve the prestigious Investors in People Gold Accreditation, the most successful framework for business improvement through people in the UK. We are the first Registered Social Landlord in Scotland to achieve this under the challenging 6th Generation of the Investors in People Standard.

This accreditation represents a true commitment of our employees and demonstrates a solid foundation of good practice which remains challenging and aspirational for many organisations. Achieving the Gold level of Accreditation puts us in the top 7% of all IIP Accredited clients.



INVOLVEMENT WITH EYDENT

Atrium Homes is an active member of Eydent, the Alliance of Ayrshire Housing Associations. The other members are Ancho, Ayrshire Housing and Shire Housing. Eydent exists to strengthen locally-controlled housing associations, and ensure effective and responsive services which address the needs of North, South and East Ayrshire communities.

The group met regularly over the course of the year at Chair and Senior Officer level. They addressed local matters of interest and collectively organised a housing conference which was held in November 2015 at the Gailes Hotel, Irvine. The Eydent Conference was the second such event organised by the group in recent years and was attended by over 120 people from a range of organisations.







10K TRIUMPH!

Seven staff members pounded the streets in June to take part in Kilmarnock's first ever Roon The Toon 10K. With some fitting in extra/last minute training sessions in their lunch hour, the whole team successfully crossed the finishing line, with very respectable times all round! The group also raised £250 for Ayrshire Cancer Support for their efforts.



BOARD & STAFF TRAINING

It is important that the knowledge and skills of our Board and staff members are kept up to date. To do this, we regularly attend training events.

In the course of last, year Board members took part in a number of training courses on topics such as Health & Safety (H&S), Responsibilities of Employers, Good Governance and Pensions. Staff also attended a wide range of training events, covering Managing H&S for Staff, H&S Risk Assessment, Asbestos Awareness, Fire Safety Training, Factoring, Welfare Rights and Universal Credit.

We also organised in-house training on Customer Care and Awareness for every member of staff, as part of our planned relocation to Shortlees. These events were delivered by Accelerator Solutions and were successful in helping to improve our focus on our customers.

VISION AND VALUES

We took time out during the year to update our vision for Atrium, and what we are trying to achieve as an organisation. This is an important process, as it helps ensure we focus our resources on actions that will help us deliver our vision. Board and staff distilled our vision down to 3 points:

Sustainable communities; Quality affordable housing; and Life chances for people.

To achieve this: "We will listen to understand your needs; work with you to sustain and grow your communities; and use our resources to create opportunities for positive change. Together we will build strong foundations for the future".

This can be distilled into three simple words that describe how we all wish Atrium to be seen:

consultative; collaborative; creative.



SUPPORTING OTHERS

As well as delivering housing and maintenance related services to our customers, Atrium aims to help other organisations and good causes, particularly those operating locally.

In the course of the year, we made small charitable donations to East Ayrshire Foodbank, Galston Boys Football Club and the Children's Hospice Association Scotland.

Staff also did their bit from tackling the Kilt Walk to raise money for Scottish Autism, to serving up at the Shortlees Spring Clean and Daffodil Tea.

