

TRUST HOUSING ASSOCIATION LIMITED

Minute of the Board Meeting held on Thursday 26 July 2023
at 14:00 at 12 New Mart Road, Edinburgh

PRESENT:

Board Members

Dr Norval Bryson
Gordon Laurie
Paul McFarlane
Ali Ross
Ian Mitchelmore
Steve McGowan
Kyle Ruparelia

Mary Niven
Karen Cawte
Ian Gunning
David Knight
Laura Bornatici
(Observer)
Sharron Elsdon
(Observer)

Officers in Attendance

Rhona McLeod, Chief Executive
Jenny Wallace, Director of Customer Experience

Zoe Purdie, Director of Finance & People
Neil Ferguson, Director of Business Development & Digital
Jackie McIntosh, Director of Assets & Sustainability
Claire Mottram, Governance & Business Support Manager (*Company Secretary*)

DR NORVAL BRYSON IN THE CHAIR

Agenda Item	Detail
1.	Chair's opening remarks
1.1	Dr Norval Bryson, Chair, welcomed everyone to the meeting. Norval referenced the recent Board Recruitment exercise and welcomed our two successful candidates Laura Bornatici and Sharron Elsdon who are in attendance today as observers.
2	Chair of Audit & Performance Committee Remarks
2.1	Paul McFarlane, Board Member, gave an update from the earlier Audit & Performance Committee meeting, noting that the Committee reviewed the Audited Financial Statements for 22-23 and were joined by Andy Shaw (Audit Partner) from AAB. Paul confirmed the Committee were presented with a clean audit, with all covenants met and despite the very challenging economic context, the operating surplus was £2.3m for 22-23, which is only £100k down from 21-22. Paul remarked on the very good performance overall and expressed the Committee's appreciation to Trust employees for their hard work in tough times.
2.2	Paul advised that our Internal Auditors from BDO were also in attendance to present the Annual Internal Audit Report 22-23 and the Committee were happy with Trust's progress against BDO recommendations from previous audits. Paul confirmed that the Committee had the opportunity to have a private discussion with both sets of Auditors, as is normally done at this time of year, without the senior team present, and were assured by the positive feedback on the audit processes and results overall.
2.3	Paul remarked on the Q1 23-24 Exception Reporting which included KPIs such as Void Loss, Rent Arrears, Days to Re-Let a Property and Average Days to complete Medical Adaptations. Paul advised that the Committee were presented with detailed reasons for the slight drop in performance across these indicators and were assured that Trust is focused on chasing excellence in all performance areas. Paul wished to highlight the excellent performance for '% Staff Absence' in Q1.

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2.4	<p>Paul invited Gordon Laurie, Board Member, to provide an update on the recent 'Tel Enterprises' Board Meeting. Gordon explained for newer members that 'TEL Enterprises' is the subsidiary managing Trust's Mid-Market Rent (MMR) portfolio. Gordon noted that the TEL Board met on the 25th July and approved the subsidiary's Audited Financial Statements 22-23 – this showed a 100k Surplus which was gift aided back to Trust. Gordon confirmed that there was a clean audit and the surplus was 19k below budget which was reflected by property costs. Gordon added that there are no MMR voids at present and Q1 performance is sitting at a 9k surplus against 26k budget, with the property costs behind this appearing to be one off costs rather than recurring. Gordon also added that the arrear cases are low level and all have payment plans.</p>
2.5	<p>Gordon referred to one final paper which related to the closure of two legacy accounts with Unity Bank and approval was provided for two new accounts with RBS.</p>
2.6	<p>Gordon suggested that an additional Trust Board Member joining TEL Board would be beneficial for quorum in the event of unforeseen absence. Ian Mitchelmore volunteered to join TEL Board and Members all agreed.</p>
4.	<p>Declarations of Interest</p>
4.1	<p>Steve McGowan declared an interest in Item 9 'Utilities Option Paper', noted that one of his previous employers had worked with Citrus Energy during his employment with them.</p>
5.	<p>Apologies</p>
5.1	<p>Apologies were received by Graham Curran, Board Member.</p>
6.	<p>Audited Financial Statements for the year ended 31st March 2023 - <i>please see private minutes</i></p>
7.	<p>Financial Review Q1 2023/24 – <i>please see private minutes</i></p>
8.	<p>Housing Support Service Changes Update – <i>please see private minutes</i></p>
9.	<p>Utilities Options Paper – <i>please see private minutes</i></p>
10.	<p>Damp, Mould & Condensation: An Overview</p>
10.1	<p>Jackie McIntosh, Director of Assets & Sustainability took the Board through a presentation on 'Damp, Mould and Condensation' which touched upon the death of Awab Ishak - a toddler who died in December 2020 from a respiratory condition due to prolonged exposure to mould in his home. The Regulator of Social Housing in England found widespread failings with the landlord's response (Rochdale Boroughwide Housing), particularly around communication, language and processes.</p>
10.2	<p>Jackie remarked on the increased focus in the Housing Sector and noted that the Scottish Housing Regulator (SHR) is seeking specific assurance in the Annual Assurance Statement 2023 around Damp & Mould. Jackie added that SHR are also consulting in their Framework Review Discussion Paper (June 2023) on what the most</p>

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	effective and appropriate ways would be for them to monitor the effectiveness of landlord's approach to managing reports into mould and dampness – including new ARC Return indicators potentially.
10.3	Jackie reviewed the causes of damp and mould with the Board and it's link to the modern design and build of homes. Jackie also reviewed the preventative measures which individuals can take to help alleviate the build-up of moisture inside homes. Jackie noted that rising energy costs would have worsened the willingness of people at home to open windows for ventilation, particularly over cold periods.
10.4	Jackie took the Board through a recent exercise completed by Trust, whereby repair jobs over the last two years were reviewed for any mention of damp, mould or condensation. Jackie confirmed that of the 117 relevant repair jobs, all were followed up on again for a second time to ascertain if issues recurred or remained, and less than 10% continue to require additional action. Jackie gave examples of 7 remediation works undertaken ranging from minor decoration to roof repairs.
10.5	Jackie referred to a new leaflet that has been created for customers which will spread understanding on how to prevent damp, mould and condensation at home. This is now available on the website and additionally, when tenants report a repair online, they are always presented with the question 'have you got damp and mould?'.
10.6	Jackie assured the Board that if there were concerns with a repair job of this nature, a Maintenance Inspector would visit the property. Jackie added that internal processes have been reviewed and made more robust, particularly around collecting and recording information – and there is an expectation that the new Housing Management System Rubixx will assist further with better reporting. Jackie also noted that the void inspection form asks employees to assess the property for visible damp and mould and Trust will always look at the root cause of the problem rather than just offering quick remedy work (i.e. painting over). Jackie added that specialists will also be brought in where required and air quality monitors would be used in any severe cases as well. Jackie advised that Trust have implemented general awareness training around this topic for employees as well through 'LearnPro' and specialised training will be considered for members of the Assets Team to help in the identification of root causes.
10.7	Paul suggested that customers are provided with the 'Damp & Mould' Leaflet or information verbally when first moving in, either at sign up or settling in visit. This was unanimously agreed to be a good suggestion and will be taken forward. Jennifer Wallace, Director of Customer Experience, suggested that several copies could be held at developments to save on paper and Jackie agreed that it would be good to find ways of giving this information in an eco-friendly way.
10.8	Gordon expressed his support in Trust proactively helping customers in this area and asked if there had been an increase in reports made to Trust of damp and mould after the death of Awab Ishak. Jackie advised that there had been a small increase in the early period.
10.9	David Knight agreed that lifestyle was very important in the prevention of moisture build up. Steve McGowan agreed, noting the difficulty of the subject and that people could take offense. Jackie agreed and felt communication was key and all cases would be investigated and treated seriously.

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10.10	Norval noted the importance of educating employees in looking out for signs and causes of damp and mould. Steve commented that he could understand the emotional impact for residents facing these problems.
10.11	Jackie concluded that landlords cannot be complacent and once the Internal Audit by BDO on Damp and Mould has been scoped and completed, there will be recommendations and learning points to take forward. David noted that he was reassured by how seriously Trust has taken the situation and the response so far.
10.12	Decision: Noted the contents of the report.
11.	'Time is Now' Update - <i>please see private minutes</i>
12.	<p>Operational KPIs & Targets 2023/24</p> <p>12.1 Neil Ferguson, Director of Business Development & Digital referred to the recent Board Away Day (June 2023) where the first draft of the 'Operational KPI Targets' were reviewed and supported in large by Board, with the exception of two 'Customer Experience' KPIs which the Board asked the Executive Team to re-consider and set more challenging targets for bringing back to Board today for sign off.</p> <p>12.2 Jenny advised that she has taken on board the suggestions to reduce the 'Void Loss' target and has brought a new target of $\leq 4\%$ to the Board today. Jenny added that given the Q1 22-23 performance is up to 3.75% for void loss, she felt this was a reasonable target to propose for the year ahead.</p> <p>12.3 Jenny added that she has however brought back the same proposed target for Gross Rent Arrears ($\leq 3\%$) as, following further debate by the Executive Team, they feel this will be a more achievable and realistic target for 23-24. Jenny noted that the year-end performance for 22-23 (1.67%) was quite exceptional and the Q1 23-24 performance is now sitting at 2.87% following a period of moving Wishaw & District properties and processes into Rubixx. Jenny added that the remaining two thirds of the business would be moved onto Rubixx over the next year and will therefore demand focus and resource which may impact on arrears management performance, particularly against the backdrop of a cost of living crisis.</p> <p>12.4 Gordon advised that, in principal, he still prefers to miss a challenging target than meet an easy target but noted that he appreciated the reasoning supplied by Jenny and the Executive team.</p> <p>12.5 Rhona agreed that in a year where Trust are changing core systems and customers are struggling to pay rent due to the rising cost of living, the customer experience teams are going to be facing a lot of challenges and to consistently fail to meet an unrealistic target could do more harm than good in terms of morale. Rhona added that Rent Sense has been ground breaking for Trust in managing arrears and the performance and proposed target remains good for the sector overall, particularly in this economic context.</p> <p>12.6 Kyle Ruparelia remarked that he was content with the response of the Executive Team to Board suggestions. Gordon agreed and felt there was value in having the conversations.</p>

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12.7	Decision: Noted the contents of the report.
12.8	Decision: Approved the proposed operational KPIs and performance targets for 2023/24
13.	Methodist Homes Update – please see private minutes
14.	June Board Away Day Playback – please see private minutes
15.	<p>Annual Company Secretary Report</p> <p>15.1 Claire Mottram, Company Secretary, noted this was the Company Secretary’s annual report before the upcoming AGM. She confirmed that all the technical requirements of Rule 68 of Trust’s rules have been complied with in the last year.</p> <p>15.2 Decision: Noted the contents of the report.</p>
16.	<p>Governance Update</p> <p>16.1 Claire referred to ‘Item 16’ in the boardpacks which provides a series of updates on governance matters:</p> <p>16.2 Claire referred to the summary of key themes written up following the Annual Board Member Discussions’ at the June Board Away Day. Claire invited members to comment and/or raise any points if they felt their opinion or ideas were not reflected in the summary table - none raised. Gordon noted that he was interested to read the facilitator’s comments (Sarah Holland, Head of People & OD) and her reflections on how the Board operated as a collective.</p> <p>16.3 Claire thanked Members for completing the annual skills matrix questions and noted that the results are saved in the General Channel of the Board Team Site. Claire advised that this helps Board address any skill gaps during future Board Recruitment. Claire noted that our two prospective board members joining us today as observers will be asked to complete this as well following co-option / appointment, in tandem with signing up to the Code of Conduct and Declaring Interests for the year. The matrix will be updated accordingly.</p> <p>16.4 Claire highlighted that we now have several dates confirmed from Developments for their 50th Birthday Parties over the Summer and the ‘Development Visit Programme’ Channel in the Board Team Site will be routinely updated with new dates as they get confirmed. Claire noted that Board Members are welcomed and encouraged to attend these celebrations and should contact her directly if they would like to attend a particular location.</p> <p>16.5 Claire referred to the timetable and plan for the Board’s Annual Assurance Review 2023 and sought volunteers for the working groups and sessions listed for August and September. Members were happy with the proposed plan and several members volunteered for each session. Claire will send invites out to volunteers for the Microsoft Teams Calls.</p>

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16.6	Finally, Claire referred to the SHR Discussion Paper (June 2023) and the summary detailed within the governance paper. Claire advised that if Board Members had specific comments to the Regulator’s questions or general feedback, they should please let her know by Mon 7 th August. Rhona welcomed contributions from the Board and advised that the Leadership Team have also completed a review exercise internally and all comments will be taken on board in the preparation of a final Trust response.
16.7	Norval reflected on a recent discussion at the Chairs Support Group where it was suggested the Annual Assurance Statement review was a good opportunity for newer members of the Board to get involved. Claire agreed and noted that the evidence work around compliance is a great chance for newer members to gain more insight into the processes of Trust and delve into deeper discussions around compliance.
16.8	Decision: Noted: the contents of the report.
17.	Board Minutes – 25th May 2023
17.1	Gordon raised that the identity of a Board Member within Item 19 ‘AOB’ relating to the allocation of a Trust Property should be anonymised. Subject to this amendment, the minutes of the Board meetings held on 25 th May 2023 were approved. Proposed by David Knight, seconded by Karen Cawte.
18.	Action Tracker
18.1	Discussion around what items can be moved to completed on tracker.
19.	Any Other Business
19.1	Claire referred to the Membership applications received from Laura Bornatici and Sharron Elsdon. Both applications were approved by Norval as Chair.
19.2	Norval as Chair advised that we are formally asking the Board today to co-opt Laura Bornatici and appoint Sharron Elsdon. All Members were happy to approve this proposal. Proposed by Karen Cawte. Seconded by David Knight.
19.3	Claire referred to the upcoming SFHA Governance Conference and sought interest from Board Members about attending - Mary Niven, Board Member, noted her interest in attending.
19.4	Discussion was held around the logistical plans for holding the virtual AGM in September 2023.
19.5	No further AOB raised.
20.	Date of next meeting
20.1	Next Board Meeting – Thursday 21st September 2023 (in the Edinburgh office).