

## TRUST HOUSING ASSOCIATION LIMITED

### Minutes of the Board Meeting held on Thursday 8<sup>th</sup> February 2024 At 12 New Mart Road, Edinburgh EH14 1RL.

#### PRESENT:

##### Board Members

Dr Norval Bryson     David Knight  
Gordon Laurie        Kyle Ruparelia  
Ian Mitchelmore     Paul McFarlane  
Sharron Elsdon       Mary Niven

##### Officers in Attendance

Rhona McLeod, Chief Executive  
Jackie McIntosh, Director of Assets & Sustainability  
Zoe Purdie, Director of Finance & People  
Neil Ferguson, Director of Business Development & Digital

Jenny Wallace, Director of Customer Experience  
Claire Mottram, Governance & Business Support  
Manager (Company Secretary)

#### DR NORVAL BRYSON IN THE CHAIR

Agenda Item	Detail
<b>1.</b>	<b>Chair's Opening Remarks</b>
1.1	Dr Norval Bryson, Chair, welcomed everyone to the meeting and noted that his main takeaway from the papers today is that given the current economic environment, Trust is an organisation that is coping very well with bad times, and papers relating to growth and new build opportunities are particularly uplifting.
1.2	Norval referred to the 'Annual Governance Form' for 2024 which was completed by members at the beginning of the year and advised that it is positive to see so many members keen to stay on the Board following the AGM 2024.
1.3	Along similar lines, Norval noted the importance of succession planning for Office Bearer positions and invited interest from members who may wish to take on this responsibility in coming years. Board members interested should speak to Norval or Rhona McLeod, CEO.
<b>2.</b>	<b>Chair of Audit &amp; Performance Committee Remarks</b>
2.1	David Knight, Board Member, gave an update from the earlier Audit & Performance Committee meeting that morning which focused on Q3 2023/24, noting that Graham Curran, Board Member, has joined the sub-committee and this was his first meeting.
2.2	David referred to the Performance Report for Q3 and highlighted the 'exception reporting' KPIs to the Board, before moving on to summarise the findings of the Internal Audit reports on 'Employee Wellbeing' and 'Electrical Safety' which was presented to the Committee by Gemma MacLeod from BDO this morning. David noted too that Andy

	Shaw from our External Auditors, AAB was present to present the External Audit Plan for 23/24 and finally the Committee approved several 'Health & Safety' policies.
<b>3.</b>	<b>Chief Executive's Remarks</b>
3.1	Rhona took the opportunity of her opening remarks to update the full Board on the recent catch up meeting with Trust's Regulation Manager at the Scottish Housing Regulator. Rhona reminded the Board that Trust was overall 'compliant' in the Engagement Plan last year but the SHR wished to engage on financial management due to the uncertainty of the energy market and Trust's Heat with Rent and Communal Energy services. Rhona confirmed that Zoe Purdie, Director of Finance & People had liaised with SHR's Financial Analyst in advance of the meeting to provide all information and clarifications requested around the '30 Year Plan' and other documentation around Trust finances. Rhona advised that unfortunately on the day SHR's financial analyst was unwell and could not attend, however the Regulation Manager and Assistant confirmed that SHR were happy with the financial performance and had no further questions or concerns. Rhona added that Jackie McIntosh also provided a comprehensive presentation on Trust's energy management, including projects and initiatives to contain energy usage, access grant and install fuel efficient systems where we can. Rhona advised that the SHR also noted that any period of Non-Emergency repairs postponement should be classed as a Notifiable Event. Rhona confirmed that this happened at Trust at the end of 22/23, covered a period of 40 days and in this time, 220 of 1500 non-emergency repairs were deferred. Rhona confirmed that this included items like broken soap dispensers in communal bathrooms and broken laundry lines outside. Rhona confirmed that during this time tenants with a deferred repair were kept informed. Paul McFarlane, Board Member, queried if this reflects concern more widely in the sector. Rhona noted that there have been a number of Local Authorities ceasing repairs for specific time periods over the last year. Rhona concluded by noting one final point from the SHR, which is around minimising the use of private minutes to boost transparency via publication of the general minutes and maximising what's included within these. Rhona advised that this will be a focus of review going forward.
3.2	Rhona noted that this week the second phase of Rubixx roll out went live, which means it is now used for all Trust stock. Rhona added that this was a great tribute to Neil Ferguson, Director of Business Development & Digital, and Iain Forrester, Head of Digital, as well as the wider business which handled the stresses of the implementation with positivity and a supportive attitude. Rhona noted that this is clearly an organisation that is ready to embrace change. Rhona noted that the former system had been in place for 20 years and Rubixx will provide opportunities for more digital interaction with customers. Paul remarked how much Trust has evolved over the years and the attitude of employees speaks volumes.
3.3	Rhona concluded by providing the Board with one final update on RAAC, reminding them that following a review of all our stock and blueprints, only 20 locations required a follow up inspection and 10 have now received their inspection and RAAC ruled out. Rhona confirmed that the final properties will receive their inspections shortly.
<b>4.</b>	<b>Declaration of Interests</b>
4.1	Employees present and Mary Niven, Board Member (& tenant), declared an interest in Item 7 – Rent Consultation and Final Budget 2024/25.

<p><b>5.</b></p> <p>5.1</p>	<p><b>Apologies</b></p> <p>Apologies received from Board Members: Steve McGowan, Ali Ross, Laura Bornatici, Ian Gunning and Graham Curran.</p>
<p><b>6.</b></p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p>	<p><b>December Financial Review 2023/24</b></p> <p>Zoe took the Board through the December Financial Review paper within the packs, noting that the YTD surplus is in line with where we expect to finish the year. Zoe added that day to day repairs are up, alongside higher write offs, however these are being offset by savings in staff costs and professional fees. Zoe confirmed that the equalisation account continues to track favourable to budget and in terms of risks and opportunities, Zoe noted that the potential costs off the back of Item 9 ‘Care &amp; Support Update’ have not been included but there is sufficient headroom within the covenants to cover this. Kyle Ruparelia, Board Member, clarified that this would cover the full amount, which Zoe confirmed was the case.</p> <p>Paul referred to void costs and queried which areas had a high number of difficult to let properties. Jenny Wallace, Head of Customer Experience, advised that High Blantyre, Ayr and Chirnside have had the highest void days and have been subject to increased targeted marketing recently. Jenny added that she was recently advised 3 out of the 6 vacancies at High Blantyre have just been let. Paul queried if the studio remodelling work is still being progressed. Jenny confirmed this was still a viable solution in many cases and that voids will be a strategic project for next year, linking in with the Assets Strategy and the remodelling budget to change layout where possible, however this is dependent on the property blueprint and is not a one size fits all solution. Sharron Elsdon, Board Member, queried if we are subject to a high number of refusals or face difficulties with waiting lists in these areas. Jenny advised that both are factors at play and provided examples of refusal reasons, as reported on quarterly to the Audit Committee. Sharron queried if it is worthwhile reaching out to local authorities for applicants in the areas. Jenny confirmed that this is very much part of current practice, and provided an example of our next New Build Development which will require letting, and the team are linking in with Housing Options teams at Glasgow City Council just now.</p> <p>Mary Niven, Board Member, queried the cleaning costs noted in the paper. Jenny advised that this can relate to cleaning costs for void properties. Norval noted the void inspections and former tenants leaving properties in poor conditions that require work. Jackie referred to the recent work by Trust on our ‘Lettable Standard’ and ‘Rechargeable Repairs’ Policy which will apply to these situations. Mary queried if Trust consider more regular property inspections throughout the tenancy. Jenny confirmed that Customer Partners now complete an annual visit on all properties.</p> <p>Kyle remarked that given the economic environment, the position laid out in the paper shows that Trust is doing everything right and is ending on a real positive for 23/24.</p> <p>Gordon Laurie, Vice Chair, queried if there was a specific figure yet for the refund due to the equalisation account relating to clawing back ‘climate change levy’ costs. Jackie advised that we don’t yet have an update and, as per Item 14, the Energy Lead role is due for re-advertising and is currently vacant. Gordon queried if this is likely to impact our ability to recover the funds. Jackie advised that this was not the case and there is no time limit.</p>

6.6	<b>Decision: Noted contents of the report.</b>
7.	<b>Rent Consultation &amp; Final Budget 2024/25 – please see private minutes</b>
8.	<b>Fair Work First Update</b>
8.1	Zoe Purdie, Director of Finance & People, referred to Item 8 ‘Fair Work First (FWF) Update’ within the boardpacks which seeks Board approval to pay at least the Real Living Wage (RLW) from 1 <sup>st</sup> March 2024.
8.2	Zoe referred to the 7 criteria of being a FWF employer and noted that the process of compiling evidence has brought home what a great organisation Trust is for employees to work in. Zoe added that the FWF criteria echoes what Trust stands for overall.
8.3	Zoe noted that by following the proposed increased to implement RLW (as per 4.6 of the paper), it will prove a massive difference to circa 520 employees. Zoe added that when looking at the salary scale, our lowest paid roles are this year receiving the same pay increase as a Director, in monetary terms.
8.4	Paul McFarlane, Board Member, agreed and remarked on the benefit of the exercise compiling evidence which emphasised how great a company Trust is to work for, adding that we should value the culture.
8.5	Norval Bryson, Chair, noted that a lot of organisations looking at FWF will be considering redundancies and cutting headcount, so it is great to see Trust being able to keep it’s people and support them in this way.
8.6	Rhona McLeod, CEO, advised that the next phase is to roll out communication to employees over the coming weeks and this will first be tested with the Employee Forum.
8.7	Recognising that the initial cost implications are included in the draft 2024/25 budget paper, Norval noted that it will be interesting and sobering to see the rises baked into the ‘30 Year Plan’. Norval remarked on the fact that all industries are facing the same situation. Zoe advised that in early March 2024, the Leadership Team are conducting a full day session to review benefits tracking resulting from projects. Zoe added that this will focus on where efficiencies have come into play on the back of recent business improvements, for example our new Housing and Workforce Management systems. Norval agreed with the importance of tracking productivity improvements.
8.8	Rhona noted that Ali Ross, Board Member, could not be in attendance today but did submit comments and questions in advance. Rhona noted Ali’s support for this item and belief that, whilst it is a must for RSL access to grant funding, it is more importantly the right thing to do for our employees.
8.9	All members in attendance were in agreement with the recommendations as noted in the board paper.
8.10	<b>Decision: Noted the contents of the report</b>
8.11	<b>Decision: Approved the new pay structure for development based employees as presented at 4.6 of Item 8’s board paper effective from 1st March 2024 and 1st April 2024</b>

9.	<b>Care &amp; Support Update – <i>please see private minutes</i></b>
10.	<b>Growth opportunity - <i>please see private minutes</i></b>
11.	<p data-bbox="252 309 1038 342"><b>New Build Project Approval: Reema Road, Bellshill</b></p> <p data-bbox="105 383 169 416">11.1</p> <p data-bbox="252 383 1492 779">Jackie referred to the paper in the packs and noted that planning consent has now been granted subject to conditions, and there is now a 3 month period to allow for a potential judicial review before site start. Jackie summarised the grant funding and risk assessment updates within the paper, before highlighting the increased focus on contractor financial standing and due diligence on the back of insolvent contractors in the sector of late. Jackie confirmed that there are no immediate concerns about Wilson Developments Ltd who have proven financial resilience. Jackie noted that it's difficult to predict and often it's too late before you see the signs of contractor distress but Trust would have step in rights should the worst happen, albeit the risk would be additional costs. Jackie added that the hope would be that Scottish Government would share in those costs.</p> <p data-bbox="105 819 169 853">11.2</p> <p data-bbox="252 819 1492 1003">Jackie highlighted the positive value for money assessment of this opportunity and her confidence in the demand we have for this kind of housing, and in this location. Gordon queried the value for money and checked that there had been no compromise in terms of specification or standards. Jackie confirmed that this was not the case and they will provide safe, warm, energy efficient homes.</p> <p data-bbox="105 1043 169 1077">11.3</p> <p data-bbox="252 1043 1492 1182">Gordon queried the objections noted in the planning permission around noise, and whether we share in these concerns for future tenants. Jackie advised that there are adjoining houses with residents who have been there for over 40 years and haven't had problems with noise.</p> <p data-bbox="105 1223 169 1256">11.4</p> <p data-bbox="252 1223 1492 1659">Rhona shared Steve's comments which included that it was encouraging to see Trust are seeking innovative solutions to progress much needed social housing. Steve queried if the valuation of the site takes account of any remediation works costs needed to develop it and if in the event there are unforeseen costs in the development how these would be covered, by the developer or Trust. Jackie noted that if an unforeseen development issue occurred post-contract, the responsibility would sit with the contractor as we are entering into a fixed-price contract whereby design and build responsibilities sit with the contractor. A second query from Steve related to Scottish Government Budget and whether there was risk around availability of grant going forward. Jackie advised that if we get a legal commitment this side of the financial year it would be classed as Block A funding and we have been advised that these projects will likely be prioritised in 24/25</p> <p data-bbox="105 1700 169 1733">11.5</p> <p data-bbox="252 1700 1492 1883">Ian queried if there would be claw back from grants if the latter stages of build didn't go ahead. Jackie confirmed that this is a possibility. Norval queried if there were concerns relating to this being a brownfield site. Jackie confirmed no concerns and that most new build sites for social housing are brownfield and we've got a third party reviewing to an enhanced specification as well.</p> <p data-bbox="105 1924 169 1957">11.6</p> <p data-bbox="252 1924 1492 2029">David queried what would happen if the contractor was late in delivering phase 1. Jackie advised that we could claim back losses if the delay was unreasonable but explained that this would be taken into judgement by Trust.</p>

11.7	<b>Decision: noted the proposed new delivery structure to facilitate our continued growth through new build in the challenging economic environment;</b>
11.8	<b>Decision: approved entering into a development agreement with Wilson Developments (Scotland) Limited in the terms set out in recommendations at the conclusion of the paper</b>
11.9	<b>Decision: delegated authority for the Chief Executive or Director of Assets and Sustainability to sign the development agreement, and any other associated contract documentation.</b>
12.	<b>Notifiable Events- <i>please see private minutes</i></b>
13.	<p><b>Allocations Policy</b></p> <p>13.1 Gillian McCusker, Head of Customer Experience (landlord) joined the meeting for Item 13. Jenny explained to the Board that Gillian had led on this piece of work and is well placed to answer any questions they may have.</p> <p>13.2 Paul queried what the motivator was for Trust ending our partnership relationship with Bield and Hanover. Jenny advised that over the years we have each evolved into slightly different organisations, moving to different Housing Management systems which didn't interface well with the current Home for You system, which is the collective allocations system. Jenny added that, for Trust, this also offered the opportunity of a single Allocations Policy which now includes Arran stock. Paul remarked that the system and policy looks much easier than he has experienced elsewhere.</p> <p>13.3 Gordon queried if this policy applies to all tenure types. Gillian advised yes, with the exception of those subject to the North Lanarkshire Council common housing register. Gordon noted that the only part he felt could be improved upon was the clarity around which points apply to which service types, for example General Needs applicants not eligible for points relating to Care &amp; Support services. Gillian advised that she could take this suggestion away and improve on the clarity. Gordon queried the reference to Veterans getting a time limited enhancement and checked what that time period was. Gillian confirmed that it was 6 months and it should be in the policy so she will double check it's included.</p> <p>13.4 Gordon referred to the section relating to references and the note around applicants being responsible for costs in Trust obtaining these, questioning if this was in the ethos of a charitable landlord. Gillian advised that this was very rare and she has not seen this happen in her time in post. Gillian added that this would relate to instances where there was a mortgage default and the bank asked for a fee. Gillian confirmed that normally the references sought are from other landlords which are free. Gordon wondered if this may prevent applicants from joining the waiting list. Norval suggested the wording 'may' instead of 'will' to soften the messaging. Gordon was in agreement this was a better approach.</p> <p>13.5 Kyle queried how often the policy will be renewed. Gillian advised that this would normally be a full review every 3 years, however, because we've got changes coming in with Rubixx and this is our first standalone policy, we opted to reduce this to one year for the initial review.</p>

13.6	Gordon noted well done on an excellent consultation process and that he had never seen one as detailed and comprehensive. Gillian confirmed this was a really worthwhile exercise to get this feedback.
13.7	<b>Decision: Noted the changes of this updated policy</b>
13.8	<b>Decision: Approved the policy.</b>
14.	<p><b>Assets Job roles</b></p> <p>14.1 Jackie referred to the paper in the packs and summarised the reasoning behind each of the job roles coming to Board today. Jackie referred to the increased focus on health and safety in the sector the past year and the first job role being a chance to strengthen arrangements in this area. Jackie referred to the outsourced fire safety checks to M4 which are coming to an end and noted the opportunity to bring this in house.</p> <p>14.2 Jackie summarised the evolution of the Energy role over the last few years and the fantastic work done by the former post holder in terms of improving our monitoring of metering and billing. Jackie noted that going forward we need someone with project management and data analysis skills who can lead on developing strategic projects like Connected Response and Tridium, and who can work on bulk commercial energy procurement.</p> <p>14.3 Kyle referred to the Health &amp; Safety role and queried what would happen with fire risk assessments if that person were absent. Jackie noted that the existing officer would have responsibilities with fire risk assessments but also that the Head of Service would step in.</p> <p>14.4 Gordon double checked that the first post is self-funding from bringing the external works in house and the second, energy lead post, has some additional cost but is offset by the savings incurred so far by the post's existence. Jackie confirmed this was the case and noted that the latter post will continue to bring benefits, and because of energy costs, Trust needs to maintain that level of scrutiny over energy usage and to bring in more innovation and take projects forward which will pay dividends. David sought assurance from Zoe that these were included in the budget already. Zoe confirmed this was accounted for.</p> <p>14.5 Norval queried if there would likely be more scrutiny at internal audit relating to fire safety given it will move to in house. Jackie advised that Trust would be providing the same service as M4.</p> <p>14.6 <b>Decision: Approved the creation of the role of Health Safety &amp; Business Continuity Manager 4.2</b></p> <p>14.7 <b>Decision: Approved the regrading of the Energy Lead Role to that of Senior Officer within the Assets &amp; Sustainability Team.</b></p>
15	<p><b>Write off requests</b></p> <p>15.1 Jenny advised that this is the annual report brought to Board, with all figures included in the packs. Jenny noted that overall this was a slight improvement on last year's report.</p>

15.2	Gordon noted that a degree of write off requests are expected as a cost of doing business.
15.3	No further comments or questions.
15.4	<b>Decision: Approved write offs to the total of £23,618.42 relating to former tenant and rechargeable repairs debt.</b>
<b>16</b>	<b>Gender Pay Gap report</b>
16.1	Zoe referred to the report on the gender pay gap which is a requirement under law that we have to present to the Board and publish the data on our website.
16.2	No questions or comments to note.
16.3	<b>Decision: Noted the contents of the report.</b>
16.4	<b>Decision: Approved the statement presented in Appendix 1 to be published on the Trust website</b>
<b>17.</b>	<b>Board Meeting Minutes</b>
17.1	<ul style="list-style-type: none"> <li>Minutes from the board meeting held on 7<sup>th</sup> December 2023 - proposed by Gordon, seconded by Paul.</li> </ul>
<b>18.</b>	<b>Action Tracker</b>
18.1	Discussion held around the Action Tracker.
<b>19.</b>	<b>AOB</b>
19.1	Claire Mottram, Company Secretary, referred to 2024 CIH and SFHA conferences and invited members to note interest in attending.
19.2	Claire referred to the Board Visit to Langlands last Friday and noted that because David was unable to attend, he is due to visit tomorrow (9 <sup>th</sup> February). Claire invited any remaining interest from members in joining the visit and, if so, to let her know after the meeting. Kyle noted that he greatly enjoyed the visit and commented on the high quality of the site.
19.3	No other AOB.
<b>20.</b>	<b>Date of next meeting</b>
20.1	Wednesday 29 <sup>th</sup> May 2024 (in the Edinburgh office).