

## TRUST HOUSING ASSOCIATION LIMITED

Minute of the Board Meeting held on Thursday 28 July 2022  
at 15:30 at the Dalmahoy Hotel & Country Club, Edinburgh

### PRESENT:

#### Board Members

Gordon Laurie  
David Knight  
Dr Norval Bryson  
Wendy Wilkinson  
Ian Gunning

John Burke  
Ali Ross  
Karen Cawte  
Kyle Ruparelia  
Paul McFarlane

#### Officers in Attendance

Rhona McLeod, Chief Executive  
Gail Gourlay, Director of Customer Experience  
Zoe Purdie, Director of Finance & People  
Neil Ferguson, Director of Business Development & Digital  
Jackie McIntosh, Director of Assets & Sustainability  
Mary Strathearn, PA/Company Secretary

#### Observers

Mary Niven  
Ian Mitchelmore  
Steve McGowan

### JOHN BURKE IN THE CHAIR

Agenda Item	Detail
<b>1.</b>	<b>Chair's opening remarks</b>
1.1	John Burke, Chair, welcomed everyone to the meeting and in particular a special welcome to our prospective new Board Members, Mary Niven; Ian Mitchelmore; and Steve McGowan; who are here today as observers in the expectation of being elected as full Board Members at our AGM in September.
1.2	John noted that we had an additional item to be included on the agenda which is seeking Board approval to accept a tender for a window and doors contract for the Wishaw area.
1.3	Zoe Purdie will be reporting on the annual audited accounts and Q1 of the financial review which has been during a dynamic period for both Trust and our tenants. There are many challenges not least of all the impact of the cost of living. The second year of covid was hard for our people and presented many difficulties for Trust but the results are good in the circumstances. Trust faces a future with uncertainties and the risks to the downside remain the cost of living effects on our tenants, energy, voids and staffing. However, on the upside, the timing and pricing of our bLEND loan re-financing together with our sound reputation and culture offers Trust opportunities for the future which it is well placed to exploit.
1.4	Jackie McIntosh will share the culmination of the preparation of the long awaited Asset & Development Strategy which is key to the Time is Now. The Board working group has worked with Jackie and her team and the Board will note that the report together with the strategy is very comprehensive.
<b>2</b>	<b>Vice-Chair of Audit &amp; Performance Committee Opening Remarks</b>
2.1	Paul McFarlane, Chair of Audit & Performance Committee, updated that 2021/22 has been a challenging year however Trust has achieved 10% increase in net assets and a turnover of £34.2m. He added that the external audit has been carried out by our

<b>Agenda Item</b>	<b>Detail</b>
2.2	<p>external auditors Anderson Anderson Brown (AAB). Feedback from both the Trust team and AAB has been very positive and the whole audit process ran very smoothly.</p> <p>There were 10 audit recommendations – 9 were recorded as green and 1 as amber. We would recommend renewing the contract with AAB as we have been impressed with service provided so far.</p>
2.3	<p>Paul reported on performance and shared that rent arrears are higher than we would like but given the current challenges Trust's overall performance is good. Paul wished to share his thanks to the whole Trust team for all their efforts.</p>
2.4	<p>In relation to our internal auditors, BDO, work has been carried out on arrears management with 1 medium recommendation and other recommendations that were low level. Paul noted that we want to achieve better bench marking against peers in our internal audits.</p>
2.5	<p>Paul summarised that the key areas of focus are: our assets with the challenge of increased prices for materials that will have a big impact on Trust; demand for properties and filling void homes; and our people by ensuring we get the best people into key roles across the business.</p>
2.6	<p>Gordon Laurie, who sits on the TEL Board as a Trust representative, informed Members that the TEL Board met earlier this week. Gordon shared that TEL had made a positive surplus of £92k which has been gift aided to Trust and he added that TEL had received a full and clean audit report for the financial year 2021/22.</p>
<b>3.</b>	<p><b>Chief Executive's Opening Remarks</b></p> <p>3.1 Rhona McLeod, Chief Executive, advised that it was great to see our prospective new Board Members joining us today as observers. However, today is also tinged with sadness as this will be the last meeting for John Burke, our Chair, and Wendy Wilkinson.</p> <p>3.2 Rhona noted that the main focus of the sessions and discussions at the June away day was around the cost of living crisis. It was agreed by the Board that this issue should be at the forefront of our minds as it will have a significant impact on Trust as a business and for our customers. Going forward, the cost of living crisis will now be included as part of our horizon scanning section in the financial performance papers. Rhona noted that July's inflation rate at 9.4% was higher than expected and this could mean an increased risk of rent arrears. We need to ensure that we provide support to our customers so that they can access their benefit entitlements.</p> <p>3.3 Rhona referred to the equalisation account and shared that the senior team have been reviewing what we can do with the Heat with Rent scheme given that energy costs are predicted to increase significantly in the autumn. We may need to consider our mid-year position and bring back a proposal to the Board for approval.</p> <p>3.4 We will be holding events across our 3 offices to launch our new blended working model and to also showcase the refurbished office spaces and the new digital technology in our meeting rooms. It is hoped colleagues and teams will come together to collaborate in our new office spaces which are now much more modern and inviting spaces to work.</p>

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4.	<b>Declarations of Interest</b>
4.1	None received.
5.	<b>Apologies</b>
5.1	Apologies were received from Nicky McLaughlin & Sister Jenny Lindsay.
6.	<b>Annual Audited Financial Statements – <i>please see private minutes</i></b>
7.	<b>Q1 Financial Review – <i>please see private minutes</i></b>
8.	<b>Asset &amp; Development Strategy – <i>please see private minutes</i></b>
9.	<b>Key Performance Operational Targets 2022/23</b>
9.1	Neil Ferguson, Director of Business Development & Digital, advised that the KPI targets presented today have been considered by Leadership Team with input from the Chairs Support Group.
9.2	Neil noted that for the last 5 or 6 years the annual cycle for target setting has been brought to the July Board for sign off. We are now proposing to set our KPI targets in March and bring to the May Board where we can compare performance against the ARC return which is approved at the same meeting.
9.3	Paul supported Neil's proposal and noted that it was a better approach to start the target setting earlier in the year.
9.4	Wendy Wilkinson observed that the repairs right time target had been dropped from 93% to 90% and wondered why there had been a reduction in the target. Jackie McIntosh, Director of Assets & Sustainability, advised that a 90% target was still a very good result in the housing sector and the reason for the small reduction in target was due to the impact of the re-procurement exercise for contractors in the central belt. Jackie believed a target of 90% this year felt more achievable. Wendy accepted Jackie's rationale for the reduction in target, however, she would like to see the target increase back up to 93% for next year.
9.5	<b>Decision: Approved the proposed operational KPIs and performance targets for 2022/23.</b>
9.6	<b>Decision: Approved the proposed change to the annual cycle to align better with the financial year.</b>
10.	<b>June Board Away Day</b>
10.1	Neil summarised the report which provided a recap on presentations given by our speakers at the June Board away day and a note of the conclusions from discussions on the day.
10.2	<b>Decision: Noted and approved content of report.</b>

Agenda Item	Detail
11.	<b>Time Is Now Strategy Update – <i>please see private minutes</i></b>
12.	<b>Flooring &amp; Furniture Contract – <i>please see private minutes</i></b>
13.	<p data-bbox="244 432 1497 499"><b>Annual Company Secretary Report</b></p> <p data-bbox="244 510 1497 611">13.1 Mary Strathearn, 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 data-bbox="244 645 1497 723">13.2 <b>Decision: Noted the contents of the report.</b></p>
14.	<b>Wishaw Windows &amp; Doors Contract – <i>please see private minutes</i></b>
15.	<b>CEO Appraisal &amp; Objectives 2022/23 – <i>please see private minutes</i></b>
16.	<p data-bbox="244 880 1497 925"><b>Board Minutes</b></p> <p data-bbox="244 947 1497 1014">16.1 The minutes of the Board meeting on 26 May 2022 were approved.</p>
17.	<p data-bbox="244 1025 1497 1070"><b>Action Tracker</b></p> <p data-bbox="244 1093 1497 1171">17.1 Discussion around what items can be moved to completed on tracker.</p>
18.	<p data-bbox="244 1182 1497 1227"><b>AOB</b></p> <p data-bbox="244 1249 1497 1462">18.1 Gordon advised that he and David Knight had visited the new Duns development as part of the Board Member development visit programme. He shared that it was great to be back meeting with tenants and employees. The group of tenants at Duns had given feedback around the staffing issues faced at the development and the standard of the meals service provided. The full report was shared on the Board Teams site for further information.</p> <p data-bbox="244 1496 1497 1653">18.2 Rhona shared that she also recently had visited developments with our new Board Members. Rhona had hosted 2 really positive visits for Ian and Steve at our West Lodge Gardens and Thornliebank Housing with Care developments. She agreed that it was good to be back visiting our frontline teams and customers.</p> <p data-bbox="244 1686 1497 1944">18.3 Ali Ross enquired about whether there was any update on the Bonds Drive, Newmains issues. Gail Gourlay, Director of Customer Experience, advised that we are still trying to find suitable homes to relocate households. The Board will be aware that as a further precautionary measure recommended by our engineering consultants we have installed monitoring equipment in the 4 other properties on Bonds Drive. We gave the tenants in those further 4 properties the option of relocation and none of those tenants have indicated they wish to move out.</p> <p data-bbox="244 1977 1497 2085">18.4 Dr Norval Bryson updated that as part of his learning and induction into the Chair role he has been meeting with the senior team to get to know them on both a professional and personal level.</p>

<b>Agenda Item</b>	<b>Detail</b>
18.5	Gordon wished to formally share a vote of thanks to Wendy, John and Sister Jenny for their hard work, commitment and contribution to Trust over the past 9 years.
18.6	Wendy wanted to record her thanks to Trust for 9 years on the Board.
<b>19.</b>	<b>Date of next meeting</b>
19.1	Thursday 15 September2022 (in person meeting at the Edinburgh office)