

TRUST HOUSING ASSOCIATION LIMITED

Minutes of the Board Meeting held on Wednesday 29 May 2024 At 12 New Mart Road, Edinburgh EH14 1RL.

PRESENT:

Board Members

Ali Ross
Gordon Laurie
Ian Mitchelmore
Laura Bornatici
Kyle Ruparelia

David Knight
Steve McGowan
Paul McFarlane
Mary Niven
Graham Curran

Officers in Attendance

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
Mary Strathearn, Governance & Business Support Manager (Company Secretary)

GORDON LAURIE IN THE CHAIR

Agenda Item	Detail
1.	Chair's Opening Remarks
1.1	Gordon Laurie, Vice-Chair, opened the meeting and shared that he was chairing the meeting today as Dr Norval Bryson was unable to attend due to illness. Gordon also noted that unfortunately, Rhona McLeod, Chief Executive, was unwell and had to pass on her apologies for the Board meeting today.
1.2	Gordon informed the Board that the CEO appraisal had been scheduled to take place in May and the outcome of that discussion together with objectives for the 2024/25 would have been presented for approval at today's meeting. Due to Rhona's unforeseen absence, we have postponed the CEO appraisal and will carry this out once both Rhona and Norval are back to full health. Rhona has drafted her key strategic objectives already and those have been cascaded to wider senior team.
1.3	Gordon reported that the Scottish Government has declared a housing emergency but he was unsure of the practical impact of this statement for Trust and the wider housing sector. He noted it could create more focus on the need to bring existing properties back into use.
1.4	Lastly, Gordon advised that yesterday he had attended the official opening ceremony of our Langlands Road new development in the centre of Govan, Glasgow. He thought the development was looking really good and that the Council Leader, Cllr Susan Aitken, opened event with a ribbon cutting and spoke very highly of Trust. Gordon added that he was honoured to meet a new tenant who had settled into her home and told him of the difference it has made to her life.

2.	Audit & Performance Committee Chair Opening Remarks
2.1	Ali Ross, Chair of Audit & Performance Committee, noted that the earlier Audit & Performance meeting had gone well and that the Committee met with our new internal auditors, TIAA.
2.2	She added that there was some discussion around the performance report and in particular the progress Trust has made in collecting 5 yearly Electrical Installation Condition Reports (EICR). Ali thought it would be good to have a Board session at some stage on the 5 yearly EICR Programme.
2.3	Ali went on to share that our days to let figure is improving and the Benefits Advice team have managed to source £2.7m in funding in the last year which was a great achievement. Ali added that we have also seen a good improvement on our staff absence figures. She noted that our 'outgoing' internal auditors, BDO presented their closing report which detailed good progress on actions and noted a few closing actions that will carry forward.
2.4	Ali reported that we have undertaken an internal audit around an employee tax health check which has given us high assurance that we have been paying the correct tax for our employee team.
2.5	In relation to the risk register, there is one outstanding risk which needs more input and that is around local authority funding for care & support and this is particularly relevant given the position we find ourselves with North Lanarkshire Council. Zoe and Jenny plan to look in more detail at this particular risk and will report back at the August Board meeting.
2.6	Ali updated that a discussion was held around increasing the score of our cyber security risk and to mark it with a score of 25. She handed over to Neil to give an outline of a recent crisis management testing event that was held in the Glasgow academy space.
2.7	Neil Ferguson, Director of Business Development & Digital, advised that we have recently held a crisis management testing session which centred around a cyber attack on Trust's systems. This was led by Ethical Hacker, Declan Doyle, from the Cyber Fraud Scotland team. The purpose of the day was to test the crisis management team's response to a cyber attack and how this would impact the business in a practical way.
2.8	Neil explained that the exercise started with a fishing email sent to a colleague which later escalated into a cyber attack. The attack resulted in data loss including employee and tenant data which was shared on the dark web. Through carrying out this exercise we are assured that the crisis management team has the resilience to cope with a challenging situation like a cyber attack, however we do acknowledge it would be huge disruption to the business. Neil added that there is a risk to Trust that we do not have 24/7 IT cover should a cyber attack taking place out of normal working hours. To implement this it would involve significant financial investment and would require a business case to be signed off by the Board.
2.9	Jackie McIntosh, Director of Assets & Sustainability, advised that we need to ensure that the wider colleague teams are made aware that they should flag any serious cyber security issues to the crisis management team. We are considering having a cyber security session at our upcoming Colleague Roadshows.

3.	Chief Executive's Open Remarks
3.1	Jackie updated that the Methodist Homes acquisition completed on 28 March and the transaction had been very successful. The former Methodist Homes tenants also accepted a 8% rent increase (as previously approved by the board) with 79% of tenants who responded to the consultation were in support of increase.
3.2	Jackie advised that we have also had some great feedback on the Trust temporary team members who have been providing support to the former Methodist Homes tenants. Those tenants have in fact requested that the temporary staff member be made permanent in post. The final piece of positive feedback on Methodist Homes is that we have successfully ran the first month of rental payments and all but a couple tenants have paid their rent. The Board welcomed this positive update.
4.	Declaration of Interests
4.1	None.
5.	Apologies
5.1	Apologies received from Rhona McLeod, Chief Executive and Board Members: Dr Norval Bryson, Ian Gunning & Sharron Elsdon.
6.	Financial Update – Draft Year End Position 2023/24 – please see private minutes*
7.	2023/24 ARC Return – please see private minutes*
8.	Treasury Management Policy
8.1	Zoe Purdie, Director of Finance & People, advised that this policy has been re-written in line with the SFHA guidance on the CIPFA Code of Practice for Treasury Management in the Public Services and in line with expectations of the Scottish Housing Regulator. She added that the CIPFA code follows a risk management approach to treasury management and this has been reflected within the policy.
8.2	Zoe noted that operationally we are following the requirements of the CIPFA code, however, we are not reporting to the Board our 24 months rolling cash position and we will bring this information to the next Board meeting in August.
8.3	Ian Mitchelmore, noted that this policy gives the Board good levels of assurance that our finances are being managed well.
8.4	Decision: Noted contents of the report.
8.5	Decision: Approved the updated Treasury Management Policy at Appendix 1.
9.	Procurement Approach: Responsive Repairs Contract (East Scotland) – please see private minutes*
10.	Procurement Strategy & Annual Report
10.1	Zoe advised that Procurement Strategy was drafted in 2021 and it shows how the

	<p>internal procurement process has evolved and strengthened over last 3 years and this is a real credit to our colleagues in the procurement team.</p>
10.2	<p>Laura Bornatici enquired about the procurement of the commercial boilers and gas and water testing contract in 2023. She observed that this contract had a high value and was procured as a direct award via framework, and therefore queried why it did not go through an open tender or mini competition process.</p>
10.3	<p>Graham Curran also had wondered about this particular issue and asked if we could have gone to the market as an open tender or gone through a mini competition to award the contract.</p>
10.4	<p>Zoe reported that we use frameworks for appointing contracts where they are available. Jackie added that we do sometimes run open tender exercises and run mini competitions from frameworks, however they can be very labour intensive to administer internally. Jackie offered to check this particular point and feedback why the contract was a direct award and did not go to the market as an open tender or through a mini-competition via a framework.</p>
10.5	<p>Gordon noted the future procurement requirements for the next 2 years and the large values of these contracts. He asked if we have enough resource in house to cope with this workload and Zoe confirmed that we did.</p>
10.6	<p><i>Post Meeting Update from Jackie McIntosh, Director of Assets & Sustainability:</i></p>
10.7	<p><i>During the discussion around the Procurement Strategy report, Laura & Graham raised a question in relation to the list of regulated procurement contracts contained in Appendix 1 (Section 9). The question being, why was the Commercial Gas Boiler Servicing and Reactive Maintenance Contract with a significant estimated over the term of the contract) procured via a direct award from a framework rather than a full tender or mini tender?</i></p>
10.8	<p><i>One of the blockers for running a full tender was the resource time taken to develop and evaluate. Also, a lack of specialist in-house technical expertise and the requirement to get technical specs, contract conditions, etc from external consultants (at considerable time & cost). Therefore, the Procurement Team initially ran an expression of interest from the PFH framework. However, as this is a specialist service and also taking cognisance of our diverse geography, we had a very limited response. We then looked to another framework for potential suppliers, Fusion 21.</i></p>
10.9	<p><i>A direct award to ECG was deemed a compliant route by the Fusion 21 framework lead, due to the unwillingness from the contractors ranked above ECG on this framework to fulfil our full requirements and geography (and the fact that we had already unsuccessfully been able to attract suitable interest from the PFH framework).</i></p>
10.10	<p><i>The eventual supplier ECG, have provided a range of services for Trust until now including a water hygiene risk assessment programme, commercial laundry duct cleaning and numerous works projects such as boiler plant replacements and water tank removals and were willing to service all the locations required. As there was a limited pool of contractors able to fulfil our requirements and geography – plus ECG was already a trusted supplier - meant that a direct award via the Fusion 21 Framework was the best option for Trust.</i></p>

10.11	Decision: Noted contents of the report and subsequent post meeting update.
10.12	Decision: Approved the 2023/34 Annual Procurement Report and 2024-2027 Procurement Strategy to be submitted to Scottish Government and published on the Trust website.
11.	Care & Support Update – please see private minutes*
12.	Notifiable Event – please see private minutes*
13.	Governance Update
13.1	Mary Strathearn, Company Secretary, gave a summary of her governance report. She asked the Board to formally re-appointed her to the post of Company Secretary following her return from maternity leave.
13.2	Graham noted the updated list of policies and important documents detailed in the report and wondered if these could be easily accessible for the Board on the Teams site. Mary agreed this was a good idea and would take it as an action.
13.3	Steve McGowan suggested that we needed to include the Annual Assurance Statement on the list of documents.
13.4	Kyle referred the Board Member annual appraisals programme and that the suggestion this year was to hold 1:1 Teams call sessions between board members and either the Chair or Vice-Chair. Kyle recalled that last year we carried out the Board appraisals as a group session which he felt was a useful exercise and felt there was value in the wider discussion. Kyle also thought the group session was a better use of time especially for the office bearers who were tasked with doing each 1:1 session.
13.5	Mary Strathearn took on board Kyle’s views and said she would add an action to review the Board appraisal programme and in particular re-visiting a group appraisal session in the future.
13.6	Gordon advised that there is great enthusiasm across the Board for members to get out and visit colleagues and customers across the Trust stock. Mary advised she will be making plans to re-instate the customer visit programme.
13.7	Decision: Noted contents of the report.
13.8	Decision: Approved the re-appointment of Mary Strathearn as Company Secretary.
13.9	Decision: Noted the plans for this year’s Board Member appraisal programme.
13.10	Decision: Approved holding Trust’s AGM virtually over Microsoft Teams video call.
13.11	Decision: Approved the list of Board policies, documents and reporting review tabled for the Board’s oversight.
13.12	Decision: Noted the plans to re-instate the Board Member customer visits programme.

14.	Rent & Service Charge Policy Update
14.1	Zoe advised that the Rent and Service Charge Policy is updated annually to reflect new charges and any other updates as required. The Board were happy to approve the updated policy.
14.2	Note the contents of this update report.
14.3	Approve the updated Rent and Service Charge Policy at Appendix 1 to the report.
15.	Redundancy Policy Update
15.1	Zoe advised that the redundancy policy was coming to the Board outwith the normal review cycle. The changes that have been made were in line with new legislation that gives further protection to those staff members who are returning from maternity or adoption leave.
15.2	Decision: Approved the updated Redundancy Policy at Appendix 1 to the report.
16.	Board Members Expenses Policy
16.1	Zoe advised that the only change to this policy was the inclusion of a rate of mileage for motorbike users.
16.2	Decision: Approved the updated Board Members Expenses Policy at Appendix 1 to the report.
17.	Board Meeting Minutes
17.1	Minutes from the Board Meeting held on 4 April 2024 were proposed by Graham Curran and seconded by David Knight.
18.	Action Tracker
18.1	Discussion was held around the action tracker and it was noted that the Methodist Homes item can be removed as it was complete.
19.	AOB
19.1	Zoe shared that at the recent Chair's Support Group meeting Norval had asked about Trust's pension scheme as there is a likelihood that the deficit payments we once had to pay will return following the triannual valuation which commences in September.
19.2	Norval had questions around the performance of pensions and Zoe suggested that we bring this as a training topic to Board. She has approached TPT who administer our SHAPs pension and they have advised they can attend our next Board meeting on 1 August along with Spens & Partners to give training. Zoe asked the Board if there were any particular pension issues that the Board would like covered to get in touch with her directly.
19.3	Zoe also noted that our new internal auditors, TIAA, have committed to giving training to the wider Board and she asked again for any topic ideas that would be of interest.

20.	Date of next meeting
20.1	Thursday 1 August 2024 (in the Edinburgh office).

****Items marked private have been excluded from these minutes due to at least one of the following reasons:***

- ***Confidentially sensitive information***
- ***Discussion on commercial interests***
- ***Person specific information***