

HOME IN SCOTLAND

MINUTES OF BOARD MEETING OF HOME IN SCOTLAND BOARD HELD ON 6 FEBRUARY 2025 ON MS TEAMS

Present:

Susan Deacon	Chair
Gillian Campbell	Board Member
Mark Henderson	Board Member
Robyn Inglis	Board Member
Gavin MacKenzie	Board Member
Helen Meehan	Board Member
Catherine Wood	Board Member
June Wylie	Board Member

In attendance:

Michelle Evans	Head of Regulatory Compliance
Will Gardner	Exec. Director of Asset and Development (Items 2201,2202)
Chris Hopkins	Director of Finance (Item 2195)
Shona Mitchell	Senior Advisor
Helen Young	Head of Audit (Item 2197)
Paul Walker	Executive Director of Repairs and Maintenance (Items 2203)
Bryony Willett	Director of Scotland
Karen Wolstencroft	Head of Service Delivery (Item 2200)

2186 CHAIR'S WELCOME AND APOLOGIES

The Chair welcomed all to the meeting. Apologies were received from Grant Campbell and Emmanuel Asante.

Apologies were also noted from Austin Woods and Ruth Corless.

2187 DECLARATIONS OF INTEREST

No updates to the published Declarations of Interest were presented.

2188 MINUTES OF HOME IN SCOTLAND (HiS) BOARD MEETING HELD ON 14 NOVEMBER 2024

The minutes were agreed as a true record.

The Board **APPROVED** the minutes of 14 November 2024.

2189 MINUTES OF THE ACQUISITIONS ACTION COMMITTEE DECEMBER 2024

The minutes of the Action Committee were agreed as a true record.

The Board **APPROVED** the action committee minutes.

2190 ACTION POINTS

All actions points were noted as completed with the exception of the risk workshop. This would be arranged in due course. The dementia workshop action would remain open.

2191 BOARD, COMMITTEE UPDATES, COMPANY SECRETARY REPORT

Michelle presented a summary of the Company Secretary Report. The Board were asked for their views on whether they would like any additional involvement in the development and scrutiny of the Annual Assurance Statement (AAS). Bryony

provided detail of context and timescales for the development of the AAS. Members confirmed there was a good assurance process throughout the year but suggested that a reminder could be shared in the summer of what the Board had been assured of in relation to the specific regulatory framework requirements. Susan agreed that the reports now clearly set out which part of the regulatory framework the reports provide assurance on. A short-lived working group was proposed. It was agreed that expressions of interest to take part in a small working group would be arranged, with all Members being informed of plans.

ACTION: Michelle Evans

The Board were advised that the Group Board retained responsibility of approval of group policies and Home in Scotland Board were advised annually which policies would be reviewed in order to allow comments to be sent to the Director of Scotland. The Board were asked if they wanted to continue this arrangement or whether they would like any additional input during the policy development process. It was agreed to have a light touch way for Board Members to feed any comments into relevant Home Group policies.

ACTION: Michelle Evans.

It was noted that work was currently taking place to review the Rules and that a special general meeting would need to be arranged to agree the amendments.

Susan advised the Board of the positive recruitment campaign, and that interviews were scheduled for 12 February 2025. The Board welcomed the increased interest in the vacancies and thanks were provided to both officers and Board Members for the work to increase interest in the vacancies.

The Board noted the work on Board effectiveness and the actions that were taking place to respond to the findings. It was noted appraisals would be due shortly and would be arranged.

The Board **NOTED** the Company Secretary Report.

2192 PROGRAMME OF BUSINESS 2025

It was noted that discussions were ongoing.

The Programme of Business was **NOTED** by the Board.

2193 DIRECTOR'S REPORT

Bryony presented a summary of the key points from the report. It was advised that Board Members would be asked to provide equality and diversity information on a voluntary basis.

Bryony summarised the Scottish Housing Regulator's risk assessment and highlighted areas where Scotland performance has been close to triggering a response from the Regulator.

Bryony provided details of the proposal to amend the local lettings initiative for mid-market rent properties. Gavin requested clarification on whether these properties were hard to let and whether any additional investment would be required. Bryony advised that the standard was higher and therefore the associated costs were higher. Rents that could be charged were also higher and eligibility was different. Robyn requested clarification of eligibility. Bryony advised that since the rents would be higher, these properties might not be affordable to customers who would usually apply for social housing and would therefore attract a different income group. Bryony confirmed that someone in receipt of basic Universal Credit would not meet affordability requirements, but if they were in receipt of other benefits, they may be eligible. The Board agreed the revisions as

per the circulated paper.

Susan asked for details on when the resolution would be reached regarding Novus funding. Bryony advised that discussions on National Insurance were still outstanding, but it was anticipated that a revised costing would come to March Board meeting.

June queried where the paper on adaptations was in the Reading Room and was advised it is available at pages 84 and 85. June agreed to read this and come back with any questions.

Gavin queried the actions that were marked as complete and asked whether some would be monitored on an ongoing basis. Bryony advised that there would be some that would be included in KPIs. The Board would monitor these on an ongoing basis.

The Board **APPROVED** the revised Local Lettings Initiative for leased properties.

2194 APRIL 2025 RENT INCREASE CONSULTATION OUTCOME

Bryony provided an overview of the consultation that had taken place on the proposed rent increase and noted that although there were still concerns from tenants regarding affordability, this had reduced compared to the previous year. Bryony confirmed there had been an increase in the number of customers who took part in the consultation and that the proposed increase was one of the lowest in the sector. Over a 2-year period HiS would be average in the sector.

Catherine asked how the percentage increase would compare as an amount of rent charged compared to other landlords and was advised that HiS rents were higher than average. The benchmarking had been included at the previous Board meeting.

It was noted by the Chair that there had been significant discussion at the previous Board meeting on the figure to go out to tenant consultation.

The Board **APPROVED** the proposed rent increase of 2.7% to be applied to all social housing tenancies on 1st April 2025.

2195 FIVE YEAR FINANCIAL PLAN ASSUMPTIONS

Chris provided details of the financial plan assumptions, including those from external advisers, Home Group's own assumptions and how these would be stress tested. Chris advised that it was currently anticipated that there would be 100 new homes developed each year.

Gavin asked about the overlap of different scenarios on stress testing. Chris confirmed that overlaps had been considered. Gavin commented that the stress testing and the detail provided on how any scenario would be mitigated if it did occur looked robust.

The Board **APPROVED** the external and internal economic assumptions that underpinned the five-year financial plan, and the related stress test scenarios.

2196 POSITIONING STRATEGY

The Chair noted that the positioning of the organisation had been a concern of the Board for a number of years. It was acknowledged that Shona had made significant progress since her appointment.

Shona highlighted that it was important that HiS emphasised the benefits that it brought and had a strong brand identity as it was important to build trust and

attract the right opportunities. Good progress had been made in developing the website and strong relationships had been developed across the group. Slides had been provided to all Board Members and had been considered prior to the meeting.

The Chair suggested that the Board may wish to have further discussions on strategy at future gatherings.

Gillian thought the positioning strategy was very clear, detailed and positive. However, suggested more work was required to understand rent levels and comparative performance to ensure that value for money could be demonstrated. Gillian was interested in how influencing of the Scottish Government would be achieved.

June provided positive feedback on the website developments.

Catherine reiterated comments made by other Board Members and suggested good to showcase HiS. welcomed the branding proposal.

Shona advised that a lot of benchmarking currently took place and there was a keenness to do more. In light of Scottish elections due in a year an informal discussion was proposed for interested Board Members. Shona would arrange this opportunity.

Action: Shona Mitchell

The Board passed on their thanks to Shona and other colleagues for their hard work and welcomed the proposed return to the use of Home Group Scotland as the trading name for Home in Scotland. The Board noted that Legal Counsel had advised there was no need to change the legal name with the SHR given this would be only a trading name.

The Board **NOTED** the Positioning Report.

2197 INTERNAL AUDIT

Helen Young informed that this was the six-monthly internal audit report to HiS Board and advised that the Health and Safety Compliance audit report was of particular relevance to Scotland. The deep dive and management response from the Health and Safety Compliance report was noted.

The report's limited assurance of follow ups was highlighted to the Board. Helen advised that the 'high' finding on allocations and right to rent was not applicable to Scotland. Progress had been made on the original 'high' finding and this was now 'medium'. Significant progress on the 'high' finding in the ASB report was also confirmed. As a member of the Audit Committee, Gavin provided detail of the discussions that had taken place regarding these findings and that there had been action taken in response advised has been serious action to respond. Susan informed Board Members that discussions at Group Board and the feedback received from the Audit Committee, confirmed there had been a lot of work to respond to these findings.

Helen discussed the development of the Internal Audit Plan for 2025/26 and asked for any priority areas that HiS Board would like assurance on. Helen advised that she was working to develop a more agile plan which would respond to the changing environment.

Susan asked whether there was a better way for the Board to formulate their views and input into the development of the plan. Helen explained that in the

current context of the sector the potential topics for inclusion in the plan were: repairs and maintenance, assets, data and how we are using it, complaints, engagement with customers, procurement strategy and aftercare in new developments.

It was agreed that there would be a separate conversation with Helen between the Chair, Gavin and Bryony. All other Board Members were welcome to join.

Action: Helen Young

Gavin highlighted the reported amount of spending with Hunters and confirmed this had been discussed at length at the last Audit Committee. Helen confirmed that since the Audit Committee further investigation had taken place regarding whether micro accounts should have been submitted. This work was ongoing. Helen Meehan provided further details and confirmed that initial investigations indicated there was nothing to suggest any fraud or collusion. The Audit Committee and Board would be updated on any further developments. It was agreed a short report would come back to the Board on conclusion of the investigation.

Action: Bryony Willett

The Board **NOTED** the Internal Audit Report.

2198 Q3 KEY PERFORMANCE INDICATORS REPORT

Bryony presented the KPI report and highlighted that the format had been amended and had taken account of the key areas of concern from the regulator and an internal audit finding in avoiding duplicating health and safety reporting. These indicators have now been removed. New indicators were being proposed for the next Board meeting and regular satisfaction surveys were being introduced, rather than once every 3 years.

June sought clarification about the homeless indicator. Bryony advised it was a new indicator and would meet the requirements of the regulator.

The Board **NOTED** the current performance and agreed to the revised list of indicators.

2199 Q3 OPERATIONAL DELIVERY PLAN PROGRESS

Bryony provided a summary of the report and noted that it was a requirement of the Operational Manual to have an Operational Delivery Plan. This was a key way of being accountable to the Board and ensuring that Group priorities were being delivered.

The delay in agreeing a new Asset Strategy was noted, but this did not raise a compliance issue.

A new plan will be presented at a future meeting. Susan advised that there had been discussion at the Group Board about refreshing the strategy at group level.

The Board **NOTED** the current position against the plan.

2200 Q3 COMPLAINTS PERFORMANCE REPORT

Karen presented the Q3 complaints performance report. It was advised that one complaint had been escalated to the Scottish Public Service Ombudsman (SPSO) but the Ombudsman had been happy with HiS's response.

Karen highlighted there had been a reduction in the number of complaints, and work was ongoing to ensure all complaints were formally recorded. The key drivers for complaints remained the same as in the previous quarter. Karen noted

a correlation with the Annual Return on the charter (ARC) and ensuring repairs were completed right first time.

Susan noted the good performance on complaints, and this had also been noted at the Group Board.

The Board **NOTED** the Complaints Report.

2201 Q3 ASSET PERFORMANCE REPORT

Will presented the Q3 Asset Performance Report. The current position on stock condition surveys and SHQS performance was highlighted and Will advised that gaps in personnel had been addressed which would lead to improved performance in future quarters.

Work was ongoing to look at opportunities for stock in Dumfries and Galloway and the pilot project on new heating systems was going well. Full support was being given to customers during this pilot. The Board's scheduled visit to Dumfries and Galloway in August was noted.

Gillian queried whether the updated Operational Delivery Plan and Asset Report were aligned. Bryony explained that the work was six months' late getting to site but was now progressing. The two reports were aligned however, were reporting marginally different things. Gillian asked if opportunities for district heating could be explored at suitable locations, such as the Meat Market. Will explained that Home Group did have district heating within existing stock, but these brought complexities with new heat network regulations by Ofgem.

The Board **NOTED** the Report.

2202 Q3 Development Performance Report

Will presented the Q3 Development Performance Report. Will advised that Glasgow Council have expressed an interest to proceed with funding HiS to acquire properties in Gathamlock similar to the acquisitions funded in Edinburgh and approved by Action Committee before Christmas. Further work was taking place and if it was concluded this was the right step for HiS, a request for approval would be brought to a future Board.

Will advised that the scheme at Gilmerton had been approved at Home Group Board. This would include different tenures such as shared ownership, thus building on the strategic discussions of the last 18 months. Susan noted that innovative methods of funding would be subject to scrutiny at group level, particularly by the Development Committee.

Will advised that there were a lot of section 75 affordable properties that were being held up by lack of grant funding. New opportunities were being considered to unlock this situation.

Gavin discussed Meat Market phase 2 and whether Home Group were actively trying to progress it. Will advised that the council preferred that this scheme was not all affordable rent. There was a free option on this site, but timescales had been pushed back to give time to work out the right option.

The Board **NOTED** the Report.

2203 Q3 HEALTH AND SAFETY PERFORMANCE REPORT

Paul presented the Q3 Health and Safety Report and advised that performance was within expectations. There were no accidents or incidents to report this

period.

June advised the next meeting of Health and Safety Governance Committee was 19 March. There were no items of note from the Committee at this time.

The Board **NOTED** the Report.

2204 Q3 FINANCE REPORT

Helen Meehan presented the Q3 Finance Report and confirmed the current budget position was positive. Some areas of current underspend were expected to see spend increases towards the year end. This was due to the way spending was phased and outcomes in these areas would be overall in line with budget by March. The proposed draft budget would be presented at the March meeting.

The Board **NOTED** the Finance Report.

2205 CLOSING ITEMS

Susan advised that the positive current finance position should be noted, but that at Group Board the previous week it was recognised that the external environment presented some challenging conditions.

It was important to begin using the new 'Home Group Scotland' name and brand.

It was advised that there would likely be new Board Members to observe the next meeting, prior to formal appointment.

It was noted the next meeting was in person in Edinburgh. The Director of Customer Experience would be in provide training the evening before which would give the Board an update regarding work to improve customer involvement. The Board will be advised of the confirmed location for the next meeting.

2206 NEXT MEETING: 12 March 2025

Signed: Date:

Chair

Susan Deacon

14 MAR 2025 - 23:19:29 GMT