

HOME IN SCOTLAND

Minutes of the Board meeting held on 15 February 2022 by
telephone conference call

PRESENT

Susan Deacon	Chair (National Member)
Ian Campbell	Board Member (National Member)
Catherine Wood	Board Member (National Member)
Julia Cheung-Buchanan	Board Member (National Member)
Ron Bowes	Board Member (National Member)
Mary Finnegan	Board Member (National Member)
Gillian Campbell	Board Member (National Member)
Mark Henderson	Board Member (National Member/Parent Appointee)
John Hudson	Board Member (National Member/Parent Appointee)

IN ATTENDANCE

Sandra Brydon	Director of Scotland
Russell Hall	Group Company Secretary
Matt Forrest	Executive Director – Operations
Joe Cook	Executive Director of Development
Nusheen Hussain	Executive Director Business Development [Item 2506]
Chris Hopkins	Head of Financial Planning and Analysis [Item 2507]
Callum Foster	Head of Finance [Item 2509]
Paul Walker	Director of Maintenance [Item 2511]
Laura Alexander	Head of Audit [Item 2516]

2499 ADMINISTRATION: APOLOGIES FOR ABSENCE

Susan confirmed there were no apologies and noted that Annie Mauger-Thompson had recently resigned from the board due to work pressures.

2500 DECLARATIONS OF INTEREST

Board members were asked if they had any conflict of interests in respect of the agenda items, Board noted that both Ron and Mary,

as Customers, had an interest to declare in relation to Agenda Item 4.3, the 2022/23 Rent Consultation Outcome Report.

2501 ACTION POINTS

The Action Points were reviewed with Russ giving a short update in relation to the actions generally explaining that they were being reviewed between himself, Susan and Sandra in order to close out some of the older actions

The Board reviewed and NOTED the Action Points.

2502 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD MEETING HELD ON 9 NOVEMBER 2021

The Board APPROVED as a true record the minutes of the Board meeting held on 9 November 2021.

2503 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD ACTION COMMITTEE HELD ON 15 NOVEMBER 2021: DEVELOPMENT APPROVAL – PITKERRO ROAD, DUNDEE

The Board APPROVED as a true record the minutes of the Action Committee held on 15 November 2021.

2504 **CHAIR'S REPORT**

The Chair opened her report by noting that Annie Mauger-Thompson had recently stepped down from the Board due to work pressures, Susan particularly wanted to place on record her thanks for the work and input Annie had given to Home Scotland. A board dinner would be arranged to thank Annie for her contribution during her 3 years in office. Recruitment to appoint a replacement board member was now underway, with a focus on finance and audit skills, and colleagues were still working to find a third Customer Board member. Susan informed the Board that she had now taken up a position on the Governance Committee.

Susan then updated the Home Scotland Board on the matters discussed at the recent Governance Committee and at the two Home Group Board meetings which had taken place since the last Home Scotland Board meeting, including the Customer sessions from the Honest Opinion Group and the gendered impact of maintenance services, the discussion around the Revised Home Group Strategy and financial envelope and also the Finance and Committee updates. She also updated the Board on the decision to appoint a new Executive Director of Building Safety.

The Home Scotland Board were also updated on the discussions at Home Group Board around some recent incidents and accidents that had been reported and noted that the Home Group Board were due to discuss the wider reporting of incidents and risk management at a future meeting.

The Board agreed that they would like to see the reports around the gendered impact of maintenance services, and it was agreed that Russ would arrange for these to be circulated.

Susan informed the Board that Ian Campbell had expressed an interest in the role of Vice Chair of Home Scotland, which had been vacant for some time. The Board unanimously agreed the appointment of Ian to the Vice Chair role and Russ agreed to deal with the formalities of that appointment.

The final point from Susan was to provide a short update on progress towards the appointment of a new Director of Scotland, confirming recruitment was well advanced with a shortlist being developed for interview in early March.

The Board NOTED **the Chair's** report.

2505 DIRECTOR'S REPORT

Sandra introduced the report, informing the Board that they had moved the performance information into the Directors Report. The Board received updates on various activities including:

- SBT as at December was £4,554k; £1,203 ahead of budget. It was forecasted to be £1.1m ahead of budget by year end, the main driver being the work at Linthouse being delayed until spring next year (£0.5m).
- Arrears continued to improve in December and were expected to be close to target by year end and void loss was on target. Voids on MMR properties were not on target though and had been more challenging.
- Material and labour shortages have impacted construction. Delays have been experienced at Haddington Avenue in Dundee and there is a risk of homes slipping into the next financial year.
- **Monitoring of Novus' performance has been impacted due to** delays in the development of the new KPIs and there are issues with appointments. Solutions are being explored.
- The economic backdrop posed a risk due to the sharp rise in inflation and many more customers were likely to fall into poverty. Work was continuing to help support customers

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appropriately through this period. Sandra brought the Board up to speed in relation to the successful applications to the Tenant Grant Fund and the help being provided to those in arrears through Covid-19.

- The Great Place to work results were being analysed but early indications showed a 10% increase, (up to 86%) on Home Scotland colleagues agreeing that Home Scotland was a great place to work.
- Sandra mentioned the Scottish Government consultation on **"New Deal for Tenants"**, which Home Scotland intended to reply to, if any Board members were interested in this consultation and shaping the response, they should contact Sandra.
- It was agreed that the on-line training which had been provided by finance colleagues would be circulated to the Board members

The Board NOTED the report.

2506 KEY DISCUSSION/APPROVAL ITEMS: HOME IN SCOTLAND STRATEGY AND BUSINESS PLAN

Nusheen introduced the report and the draft strategy at Appendix 1. She set out how the content of the Home Group Strategy had been informed, following discussions with Home Scotland Board Members, the Director of Scotland, a strategy workshop held in January and horizon scanning of the Scottish policy environment, including much of the general direction of the strategy being informed by customers. To ensure the same overall direction was being pursued, Nusheen advised clear alignment was required with the Home Group Strategy. The draft strategy was reviewed, and differences were then discussed.

The Board members provided the following comments and feedback

- On the first page of the strategy would it be helpful to explain why it was important to note Home Scotland operates within a devolved government setting.
- On the 6th paragraph on page 2, **to insert LA's into the groups** we work with.
- On Net zero important to note most local authorities are ambitious in target setting, it was also noted that the target date had changed to 2040. The Board also thought it might be helpful to explain what Home Scotland meant by the definition of net **zero, was it an "in use" definition** or something else?
- There is a need to expand on Fabric First so that it is more easily understood by a wider audience. The Board also thought there should be some further explanations around other

phrases used, including “place principle” and “bottom up community plans”

- Would there be a benefit in trying to define key workers
- Consider changing the references from central urban belt to central Scotland triangle (to include Dundee).
- In describing the Home Group archetype there was some discomfort with the exclusion of flats/tenements.
- In terms of development targets would it be helpful to have a Home Scotland target
- The strategy referred to introducing a cross subsidy model, Board agreed that this was something they needed to consider but no decision had yet been taken to move forward with that, it was agreed that more information on that model would be brought to the Board.
- The Scottish Government target of 100,000 affordable homes had also increased to 110,000 homes

In summarising the discussion, Susan thanked the Board for their comments and feedback. It was agreed that some of the comments that amounted to “principles” could be amended in the strategy document but many of the other comments could be picked up in the business plan/delivery plan that would flow from the strategy document.

Nusheen again thanked the Board for their comments which she agreed to consider and where appropriate incorporate in the strategy document and it was agreed that if any Board member had any additional thoughts or comments they would be fed into Nusheen or Susan.

The Board welcomed, provided comments and NOTED the strategy document.

2507 FIVE YEAR FINANCIAL PLAN ASSUMPTION AND STRESS TESTING SCENARIOS

Chris Hopkins advised that the planning was underway for the Five-Year Financial Plan covering 2021/22 to 2025/6. The process was similar to previous years where the plan is underpinned by a number of economic assumptions informed by Treasury experts Centrus which are then subject to a number of stress tests to understand the impact of risks. Chris explained how the stress tests are aligned to Home **Scotland’s** strategic and operational risk registers.

The Board discussed the paper and challenged some of the assumptions, including around increasing interest rates, with Chris providing further information and assurance to the Board.

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The Board REVIEWED and APPROVED both the economic assumptions that underpin the Five-Year Financial Plan and the stress test scenarios it would be subjected to.

2508 2022/23 RENT CONSULTATION OUTCOME REPORT

Sandra presented the report, following the outcome of consultation with customers on the proposed rent and service charge levels for 2022/23 to enable this to be considered alongside the draft budget. Approval was sought on the recommendation to increase rent levels by 4.1%, in line with Home **Scotland's** current Business Plan, as set out in the report.

Sandra explained that it hadn't been possible to bring the Arneil Johnson work to this meeting as intended, it was hoped this would be brought to the March strategy workshop or to the May Board meeting.

The Board noted that Home Scotland had received a slightly higher response to the consultation than previously, with around 260 Customers responding and the detail of those responses was set out in the report. Sandra confirmed that any Customers who had responded saying they would struggle with the increased rent had been contacted individually to see what help could be provided. Sandra also provided the Board with further information on what additional support was, and could be, provided to Customers who would struggle with the rent increase or cost of living crises generally and how Home Scotland was pro-actively targeting those most in need.

The Board DISCUSSED and APPROVED the recommendation to increase rent levels by 4.1%, in line with **Home Scotland's current** Business Plan.

2509 2022/23 BUDGET

Callum introduced the report which set out the key information on the draft budget and sought approval from the board. Callum explained that he sought approval for the budget to EBITDA stage but the final approval would need to be via Action Committee once the outstanding Group wide adjustments had been finalised.

Callum took the Board through the £24m budget and the material income and expenditure items, including the increases in income,

the higher employment and Group recharge costs as well as the increased costs for maintenance works. Callum also addressed the **impact on KPI's** which he confirmed would be updated in full once the outstanding Group wide adjustments had been finalised.

The Chair raised a query about the Group recharges and Callum explained the previous Board decision to increase them in stages. The Board also noted that they were set following an open dialogue with the Senior Management Team and whilst the Group had decided there was no need to enter into intragroup service level agreements there was some further work to do on reconciliations. In response to a question regarding any delays in taking handover of the 263 budgeted new homes, Callum confirmed this would have a subsequent impact on income received but depending on the reason for the delay it could be possible to recover damages from the developers, Joe also confirmed that in relation to the commercial property referred to in the paper, negotiations with the café/restaurant at the Meat Market were well advanced.

The Board queried the position on MMR voids and noted the intention was to improve the quality and thereby improve the void performance reducing the void time, the Board requested that further information on the increased costs of MMR voids be provided for the next meeting. Sandra also provided additional detail of the additional employment costs set out in the Report noting in particular the new position in maintenance to improve service, the new position in the financial inclusion team to help customers in financial difficulty and the additional housing assistant role focused on the existing MMR portfolio and to be ready for the 250 additional units coming online at the Meat Market.

The Board **DISCUSSED** and **APPROVED** the draft 2022/23 budget.

2510 HEALTH AND SAFETY PERFORMANCE

The report was presented by Matt for the period 1 October to 31 December 2021 and the key highlights were:

- There were zero accidents, zero incidents and zero near misses logged during the period.
- The FRA programme reconciliation had been completed and an additional contractor appointed to deliver FRAs in Scotland.
- In order to reflect risks reported to the Board, the FRA Programme had been revised.
- FRAs for HRB1 and HRB2 properties in Scotland were up to date. The external wall risk assessment at Salamander Court was still in progress, the delay referred to in the report had been due to the lack of available construction information, although Matt confirmed this did not present any ongoing

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issues for Customers, the team hoped to receive the requested information in order to avoid any more intrusive works being required.

- All H&S forms were being completed on development sites and by our maintenance contractor.
- Blocks with communal areas were being inspected by the Health and Safety Business Partner, as part of the FRA programme and any actions required highlighted with teams.
- A project to upgrade smoke alarms to meet the new legislation in Scotland had been undertaken by the maintenance team last year and was now complete.
- Matt also confirmed that a new role of Executive Director of Building Safety had been created and that person would have responsibility across the whole Group housing stock.

In response to an additional query from the Board, Matt confirmed that there were recruitment challenges in terms of Health and Safety generally, which applied to all organisations across the sector, he explained the work being done to review training and internal progression as well as the outsourced contracting opportunities.

The Board NOTED the update.

2511 MAINTENANCE DEEP DIVE

Paul introduced the report, following the first 6 months of mobilising the 5 new maintenance arrangements across the country and from customer feedback received. Initial indications were that there was still work to do on the mobilisation project and that performance was reasonable but was improving. Paul indicated that whilst **Home Scotland's** satisfaction levels were the highest across the Group there was still work to be done, particularly around improving **"appointments", being the** percentage of customers who get an appointment at first point of contact and the percentage of customers whose appointments are made and kept. Paul confirmed that Novus was working with Home Scotland on an improvement plan and if **improvements weren't made then Home Scotland may** have to introduce penalties.

The Board noted the information and detail provided in the Report and the benchmarking against the Group but requested that additional benchmarking **against other Scottish RSL's be included** where possible in future reporting

Paul confirmed that Home Group was working with Novus on **"Property MOT's" for a trial 3 month period** in order to proactively spot issues and thereby reduce the amount of responsive repairs

Home Scotland completes, the learning from this trial is expected to be delivered in March 2022.

Paul confirmed details around the net promoter scores presented in the paper, along with confirmation on the number of outstanding responsive repairs completed within 14 days being at 73% of the SLA target, it was agreed that Paul would work on the presentation of this information for the next report. Board also noted the explanations provided by Paul in relation to the drop off in call handling noted in the appendices, and the subsequent improvements implemented to bring the percentages back up into the mid 80% range. He also explained how the Emergency Call team operated and triaged out of hours calls.

The Chair also asked Paul to provide an update on how Home Group's direct labour organisation was performing in its trial, with Paul confirming that initial indications were positive, particularly around customer satisfaction and it would be relevant to consider their performance further when looking at the longer term review of Novus performance planned in 2024.

In concluding the discussion, the Chair also asked Paul, in addition to the improvements to reporting minuted above, to include further insights into the human dimension of the customer experience in future reporting on maintenance performance.

The Board DI SCUSSED and NOTED the contents of the report.

2512 GREAT PLACE TO WORK SURVEY 2021 OUTCOMES – SCOTLAND

Sandra updated the Board on the results of the annual colleague survey undertaken in November 2021. The headlines were available in Appendix 1 to the report and the Business Management Team were working with HRD colleagues to identify the areas which had received lower scores. The response rate was 86%, which was slightly lower than in 2020 (89%). 86% of colleagues had said that Home Group was a great place to work, an increase of 10% compared to 2020 and the overall score for Home Group in 2021 was 83%. The areas which had increased the most were empowerment and accountability, teamwork and communication, and involvement. Sandra identified that the areas which had received the lowest scores were organisation image, career development and job security and actions would be developed to improve these.

The Board DI SCUSSED and NOTED the report.

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2513 POLICY UPDATE

An update was provided by Sandra on the 7 policies approved by Home Board, including 1 interim policy statement and a further 8 policies which had been approved under delegation, as set out in the report. The policies were available to view in Board Intelligence, on the Reference Materials shelf. Sandra reminded Board members that if anyone had an interest in being involved in the review of an upcoming policy then they should contact her directly

The Board NOTED the contents of the report.

2514 PERFORMANCE: DELIVERY AND DEVELOPMENT PERFORMANCE

Joe introduced the report and recapped on some of the discussion that had come out of the recent Home Scotland Strategic workshop. In addition, Joe provided an update:

- That there were no new projects seeking approval at this meeting.
- The aim was to deliver 92 new homes during the current financial year, however 24 homes at Haddington Avenue in Dundee, were at risk of slipping into the next financial year, due to labour and material shortages, if this happened home Scotland could hold the developers responsible and implement **LAD's**.
- Scotland's 5-year development programme remained at circa 1000 new build homes.
- There were several opportunities which were being worked on regarding future development across Glasgow, Edinburgh and Dundee regions.
- At Linthouse, a workable A-rated cladding solution had been identified and it was anticipated that work would commence in Spring 2022.
- At Homelea, options to improve the performance of the building were continuing and further details, including the lessons learned, were provided at Appendix 3A and 3B to the report.

The Board discussed the report, and in relation to the experiences at Holmlea, Julia referred to a scheme completed by Wheatley Group which had experienced similar issues. Joe confirmed he had contacts he could call at Wheatley Group and explore their experiences and solutions to the problems further. Joe also confirmed that he was

feeding back to Historic Scotland the problems created in trying to find a solution by the stance they were taking on the building.

The Board also noted that the lessons learned document would be fed back into the wider Group via the internal development **Investment Panels "Gateway 4 & 5" review process and then up to** the Group Development Committee.

The Board DISCUSSED and NOTED the report.

2515 COMPLAINTS PERFORMANCE

The Board received an update on complaints handling performance for the period October 2021 to December 2021. It was confirmed that 91% of Stage 1 complaints had been responded to within 5 days and 83% of Stage 2 complaints within the 20-day timescale. The main driver for complaints continued to be repairs and maintenance and a small number regarding service delivery and development. The Board noted that complaints received were continuing to be reviewed to enable Home Group to respond collaboratively and implement preventative action.

The Board NOTED the complaints performance.

2516 ASSURANCE SERVICES PROGRESS REPORT

Laura took the Board through the report on audits completed from the 2021/22 Annual Assurance Plan. She advised that 4 audits had been completed, which were being reported to the meeting and advised that 30 out of 46 actions had been responded to by management, including 13 which were not yet due and 3 which were overdue. Laura particularly highlighted the ARC, factoring and Home Scotland H&S Reporting Audits which had all provided substantial assurance along with the Freedom of Information Audit which had provided full assurance.

One new case of alleged bribery had been reported, and there were no new cases of suspected fraud, theft or tenancy fraud. It was proposed that areas for inclusion in the 2022/23 Annual Assurance Plan were based upon the strategic risks faced by the business as well as those specific to Home Scotland. The Board agreed the three areas for review suggested in the Report.

Laura agreed to join the non-executive Board members for their closed session after the main Board business had been concluded to discuss assurance services more generally.

The Board DI SCUSSED and NOTED the report.

2517 TENANCY SUSTAINMENT FRAMEWORK

Sandra provided an update on the progress on a number of actions and key outcomes, following the framework being approved by the Board in November 2020 and launched internally to Housing Managers in April 2021. Generally, the framework had been well received internally and externally and was being embedded as business as usual across Home Scotland. Support continued to be in place for Housing First tenancies as Dundee City Council withdrew funding from the project. Positive outcomes had been evidenced for customers, key targets achieved in the action plan and next steps would be developed to ensure the best outcome was achieved for customers to assist them to have settled and secure housing.

The Board NOTED the report.

2518 ANY OTHER BUSINESS

After delivering a brief summary of the meeting and noting the strategy workshop planned for March 2022, the Chair raised one matter of AOB and that was to suggest that the Board receive a session on the delivery of supported housing and services, including new models of care, to help inform consideration of what that offer might look like in Scotland.

The only other item of AOB was raised by Gillian and that related to **the "Fabric First"** approach discussed earlier and how Home Scotland would consider that further. John Hudson confirmed this would be looked at as part of the asset data review and considered alongside what the investment in stock would be and would be called out in the 5-year Business Plan

There being no other business, the Chair declared the meeting closed.

2519 MEETING REVIEW AND NED DI SCUSSION WITH THE HEAD OF AUDIT

The Chair held a closed discussion after the meeting with the non-executive directors and also with Laura to discuss assurance services.

2520 DATE OF NEXT MEETING

Tuesday 17 May 2022 (however, a focussed strategy workshop would be held on Monday 21 March).

Signed Date