

HOME IN SCOTLAND

**Draft minutes of the Board meeting held on 17 May 2022 at Hilton
Edinburgh Carlton Hotel, North Bridge Edinburgh**

PRESENT

Susan Deacon	Chair (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

Russell Hall	Group Company Secretary
Matt Forrest	Executive Director – Operations
Joe Cook	Executive Director – Building Safety
Will Gardner	Executive Director of Development
Chris Hopkins	Head of Financial Planning and Analysis
Audrey Simpson	Incoming Director of Scotland (observer)

2521 ADMINISTRATION: APOLOGIES FOR ABSENCE

Susan confirmed there were apologies from both Ian Campbell and Catherine Wood.

2522 DECLARATIONS OF INTEREST

Board members were asked if they had any conflict of interests in respect of the agenda items, and none were declared and no additional amendments were required to the Declarations of Interest.

2523 ACTION POINTS

The Action Points were reviewed with Russ giving a short update in relation to the actions explaining that they had been reviewed since the last Board meeting, by himself and Susan and some changes made to clarify and tidy up the actions which had also allowed for some of the older actions to be closed out.

It was also agreed that a new action would be added to the list to ensure that the actions which came out of the strategy session in March would be referenced in this action list so Board could retain visibility of them.

The Board reviewed and **NOTED** the Action Points.

2524 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD MEETING HELD ON 15 FEBRUARY 2022

The Board **APPROVED** as a true record the minutes of the Board meeting held on 15 February 2022.

2525 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD ACTION COMMITTEE HELD ON 18 March 2022: BUDGET APPROVAL

The Board **APPROVED** as a true record the minutes of the Action Committee held on 18 March 2022.

2526 CHAIR'S REPORT

The Chair opened her report and welcomed Audrey to the meeting. Susan also thanked Ron and Catherine for their support and time in acting as part of the recruitment panel for Audrey's appointment. Susan also placed on record her, and the Boards thanks to Sandra for all her hard work, contribution and dedication over the years in her role as Director of Scotland.

Susan also welcomed Will Gardner to the meeting as the newly appointed Executive Director of Development, taking over from Joe Cook who had moved into the newly created post of Executive Director of Building Safety.

Susan also noted it was John Hudson's last meeting with Home Scotland and again thanked John for his contribution to Home Scotland over the years. It was confirmed that Helen Brindley was to replace John as CFO, although Helen was currently on maternity leave, returning later in the summer.

The Board received an update on progress to appoint two new Board members including a third Customer Board member, long with an update from Susan on a recent fire safety inspection that Susan and Ian had recently attended, confirming there was an open invitation for any other Board members to join colleagues on similar inspections in the future.

Susan then provided an update to the Board on the last meeting of Home Group Limited, with the Board noting they had focused heavily

on the current political and economic uncertainty and the looming cost of living crises and its impact on both Home Group and Customers. They had received a Customer presentation from members of the National Development Group and spent time discussing Group budget planning. The Group board had also considered financial performance, health and safety and compliance performance and discussed the recent external review of Board and Committee effectiveness which had been carried out by Altair.

The Board also received an update on the last Audit Committee meeting which had received the latest Assurance Services report, had received a risk update including the approval of the revised Risk Management Framework and a number of completed audit results, which John Hudson outlined in more detail to the Board.

Matt Forrest also provided an update in relation to the Health and Safety Governance Committee in Ian Campbells absence, with the Board noting that Health and Safety performance as well as a fire safety legislation paper were to be covered specifically later on the agenda.

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

2527 DIRECTOR'S REPORT

Matt introduced the report, the Board received updates on various activities including:

- SBT ended the year £1.2m ahead of budget, mainly due to delays of work to Linthouse and other cost savings.
- Although there had been a reduction in arrears across the year, the target had been missed and would remain an area of focus for colleagues. Void targets had been met however.
- The economic backdrop posed a risk due to the sharp rise in inflation and many more customers were likely to fall into poverty with the growing cost of living crises. Work was continuing to help support customers appropriately through this period.
- Delivery against the new strategy was progressing well and there had been successful handover and letting of the 76 new properties Gilmartin, Edinburgh and West Lothian.
- The Board noted the reference in the report to the small protest from residents at Castlemilk under the Living Rent banner and it was agreed that colleagues would keep this under close review

The Board **NOTED** the report.

2528 RENT AFFORDABILITY PROJECT OUTCOMES

The Board received an update from Matt in relation to the rent affordability project noting that the full report from Arneil Johnson was attached. Whilst the Board recognised that some excellent work had been done, it considered whether, in the light of the current cost of living crises, it would be right to implement the changes proposed which could lead to some 53% of Customers receiving an increase in rents under the harmonisation plan. On balance the Board agreed that now was not the right time to implement the rent alignment and harmonisation plan. The Board agreed that the work would be revisited as Home Scotland reviewed their rents within the broader economic context. When colleagues did review the work they would also consider the additional comments provided from Board members including whether or not Council tax should be included in the calculations, whether there should be a specific focus on pensioners as well as single occupancy.

The Board provided comments and **NOTED** the next steps as set out in the paper.

2529 FIVE YEAR FINANCIAL PLAN

Chris Hopkins introduced the paper which was seeking approval for the 5 year Financial Plan. Chris noted that there were some significant economic assumptions and that there had been an increased level of stress testing given the current uncertain economic climate. The Board recognised that whilst the figures in the 5 year Financial Plan were accurate as at today's date they recognised these would undoubtedly change in the coming months given the uncertainty and that they would be under close review by Chris and finance colleagues.

The Board **DISCUSSED** and **APPROVED** the 5 Year Financial Plan and **APPROVED** its submission of the same to the Scottish Housing Regulator.

2530 BUSINESS PLAN REVIEW

Susan introduced the paper with a recap of the process followed to date, which had delivered a direction of travel aligned to the Group strategy but recognising some specific differences for Scotland. The Business Plan presented was well developed but still needed some tidying up by colleagues. Matt reminded the Board the Business Plan should be considered alongside the Operational Plan which contained a more granular level of detail. Susan opened up for comments from the Board, the following comments were made;

- Whilst the Board recognised the overall strategy was about the right homes in the right places, colleagues needed to cross reference the numbers of new build homes to be delivered as reference had been made to 1000 and 1300.
- Board noted the ambition to deliver a net zero project to improve tenement blocks and heard more from Will around some of the pilot projects currently underway from which learning would be applied to these tenement projects. It was recognised that these projects could be complicated by building ownership, where Home Group did not own or have responsibility for the full building. Colleagues to consider whether the wording on p8 of the Business Plan should say “deliver” or “develop” the net zero project.
- The Board suggested some further consideration be given to the use of the net zero and operational net zero so that all parties reading the document could be clear on definitions.
- Board agreed that care should be taken in calling out only some LA’s in relation to their ambitions on target setting around net zero and perhaps the wording should be more generic.
- Colleagues to consider the description around the focus on the central Scotland triangle and whether that accurately reflected our operational boundaries, including stock in Dumfries and Galloway.
- The Board raised a number of additional smaller typo’s and inconsistencies which were noted by colleagues and would be addressed in final version

The Board **DISCUSSED** and **APPROVED** the revised Business Plan subject to some of the comments minuted above and **APPROVED** the submission to the Scottish Housing Regulator by the end of June.

2531 DUNDEE UPDATE AND OPTIONS

Will introduced the report by setting out the background to the housing stock in Dundee and providing some detail on the type and tenure of the stock referred to in the paper specifically, including some of the operational challenges presented.

The Board members discussed the proposal, the impact on Customers, the work that had been done to date on costings for the project, along with the suggested next steps. They also challenged whether colleagues should consider a community-based plan approach. Having discussed the information presented in the report, the Board felt unable to support the request to approve the principle of disposal of the properties without a further report providing more detail and particularly focusing on the other options available for the

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properties, that report should also focus more on the customers and potential impact on the communities and other stakeholders. It was agreed that a further report would be brought to the August meeting

The Board **AGREED** that a revised paper be brought to the August meeting when a further discussion would take place around the options for the Dundee stock referred to in the paper.

2532 DEVELOPMENT AND ASSET UPDATE

Will introduced the report and set the context against the new strategy about delivering the right homes in the right places and that in delivering this strategy the Development team would be working closely with colleagues in the Asset team.

Will took the Board through what the new strategy meant for Development and Asset in Scotland as well as outlining what was the status of new developments delivery against the five-year plan and the progress that had been made against the Asset Management Plan for Scotland.

The Board then discussed the approval request around the development scheme at Royal Hospital for Sick Children site which was presented in the report. Julia asked a specific question around the substation referred to in the report with Will confirming he would look into it and revert to her with the answer.

Will also presented an update on the Holmlea scheme and again agreed to pick up a conversation with Julia over the costs and responsibilities for the works outside of the meeting

The Board **DISCUSSED** and **NOTED** the report and **APPROVED** the acquisition of the Royal Hospital for Sick Children site.

2533 HEALTH AND SAFETY PERFORMANCE

The report was introduced by Joe who described to the Board the work that had been done in the new directorate since he was appointed including making changes to the building safety processes and reviewing and consolidating the 8 systems currently used for H&S reporting. Board noted the information contained within the report including:

- There was one accident, one incidents and one near miss logged during the period.
- The FRA programme was up to date for Scotland.
- All HRB1 and HRB2 properties in Scotland had an up to date FRA.

- There were no reported RIDDOR events on any of Home Scotland development sites during the reporting period.
- There were no significant emerging risks to report to Board.

The Board **NOTED** the update.

2534 FIRE SAFETY LEGISLATION

Joe Cook presented the paper looking at the differences between legislation and guidance North and South of the Border which had been requested by the Board.

Joe took the Board through the key differences but confirmed that Home Scotland was fully compliance with the legislation that is in force.

Following discussion by the Board, Joe responded that wherever differences between legislation did exist, or could exist in the future it would be the intention of Home Group to apply the highest level of standards across both Home Group and Home Scotland. The Board thanked Joe for the report.

The Board **DISCUSSED** and **NOTED** the contents of the report, and **AGREED** that no further immediate action was required in respect of fire safety compliance in Scotland.

2535 MAINTENANCE REVIEW

Matt introduced the report and explained that as at the end of March, overall WIP levels were good, there was 100% statutory compliance with no outstanding overdue gas or electric compliance checks and there was no performance concerns on void levels.

The Board noted there were a number of areas where improvements were required which were detailed in the report, principle among them were responsive repairs and “appointments” – the percentage of customers who get an appointment at first point of contact and the percentage of customers whose appointments are made and kept. Matt was able to expand on some of the initiatives in place to improve performance.

The Board recognised there was still work to do but that it was imperative that improvements continued to be made in line with KPI’s and wider expectations, if those improvements and KPI compliance were not met then there were contractual levers that could, and would be instigated.

The Board **DISCUSSED** and **NOTED** the report.

2536 COMPLAINTS REPORT FOR JANUARY TO MARCH

The Board received an update on complaints handling performance for the period January 2022 to March 2022. It was confirmed that 100% of Stage 1 and 2 complaints had been responded to within the Scottish Public Sector Ombudsman timescales. The main driver for complaints continued to be repairs and maintenance and poor performance by Novus.

The Board **NOTED** the complaints performance.

2537 RISK UPDATE

THE Board received an update on Risks from John Hudson with the Board noting that colleagues were comfortable with the action plans in place to address and manage the level of risk currently being faced.

John also explained that a new Risk Management Framework had been agreed by the Group Audit Committee and Home Group Board and was included with the paper for Home Scotland review.

John confirmed that a key priority continued to be around supporting Customers through the impact of inflation and the cost of living crises.

The Board **NOTED** the report.

2538 TREASURY REPORT

John presented the report for noting, highlighting that Home Scotland was compliant on all the performance indicators monitored by the Treasury Team and that Home Scotland continued to have significant levels of headroom over its financial covenants.

The Board noted the intention over the coming months to consider new funding options to support Home Scotland's budget and 5 year financial plan

The Board **NOTED** the treasury report.

2539 ASSURANCE SERVICES ANNUAL REPORT

The annual report was presented to the Board to update them on the audit reviews completed by Assurance Services and to provide an update on the Annual Assurance Plan.

The Board noted that 35 audits were completed in 21/22 including 4 specific Home Scotland audits and 29 Group wide audits which also reviewed processes and controls applicable to Scotland. The details of the Scotland specific audits, which had all previously come to the Home Scotland Board, were set out in the Report.

John explained that the 22/23 audit plan had three reviews specific to Scotland as well as additional Group wide audits

The Board **DISCUSSED** and **NOTED** the report.

2540 ANY OTHER BUSINESS

Whilst there were no direct items of AOB, the Chair took the opportunity to inform Board members that the list of dates for next years Board meetings was currently being developed, that it was also intended that a date would be agreed later in the year for a strategic workshop for Home Scotland and that a Board effectiveness survey was also being developed to be issued to Board members too.

Susan also took the opportunity to thank John Hudson again for all his contributions to Home Scotland Board over the years. Susan also invited Audrey to speak and Audrey confirmed she was looking forward to starting as Director of Scotland in early June.

2541 DATE OF NEXT MEETING

Tuesday 23 August 2022, including the AGM and first meeting after the AGM.

Signed Date