

**HOME IN SCOTLAND**  
**Minutes of the Board meeting held on 7 February 2023**  
**on MS Teams**

**PRESENT**

Susan Deacon	Chair
Mary Finnegan	Board Member
Ian Campbell	Board Member
Catherine Wood	Board Member
Gavin Mackenzie	Board Member
Helen Meehan	Board Member / Chief Finance Officer

**IN ATTENDANCE**

Audrey Simpson	Director of Scotland
Charlotte Burnham Group	Company Secretary
Jacqui Mills	Governance Business Partner
Austin Woods	Director of Legal (Item 5.5)
Helen Young	Head of Audit (Item 6.1)
Susan Fulton	Director of People and Corporate Services (Item 6.4)

**2496 APOLOGIES FOR ABSENCE**

Apologies were received from Mark Henderson and Gillian Campbell.

**2497 DECLARATIONS OF INTEREST**

The Board reviewed and **NOTED** the Declarations of Interest.

**2498 ACTION POINTS**

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

**2499 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD MEETING HELD ON 8 NOVEMBER 2022**

The Board **APPROVED** as a true record the minutes of the Board meeting held on 8 November 2022.

**2500 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD MEETING HELD ON 24 NOVEMBER 2022**

The Board **APPROVED** as a true record the minutes of the Board meeting held on 24 November 2022.

**2501 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD ACTION COMMITTEE MEETING HELD ON 6 DECEMBER 2022**

The Board **APPROVED** as a true record the minutes of the Board meeting held on 6 December 2022.

**2502 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD MEETING HELD ON 5 JANUARY 2023**

The Board **APPROVED** as a true record the minutes of the Board meeting held on 5 January 2023.

**2503 BOARD, COMMITTEES AND COMPANY SECRETARY UPDATE**

**(1) Chair's Update** - Susan briefly requested Charlotte to provide an update on the Action Committee held on 6 December 2022 regarding the Home Scotland Loan Facility and agreed this would be revisited at a future meeting of the Board.

**(2) Interim Health and Safety Governance Committee** - Ian updated members of the interim Committee meeting held on 23 January 2023 and informed the Board of the work being done by the team to reduce the number of follow on actions arising from the FRAs, with steady progress which will continue to be monitored.

**(3) Governance Committee** - Susan provided a brief summary of the last meeting held on 23 January 2023 and advised members that a new Code of Conduct for Board Members based on the National Federation of Housing and Scottish Federation of Housing model codes is in development and will be considered by the Governance Committee prior to Home Group Board approval in March 2023.

**(4) Audit Committee** - Gavin updated members on the audit plan presented to committee last week. There will be a cross area focus with risk based audits focused on the most critical areas. Home in Scotland has recently undergone an audit of the Annual Assurance Process with some recommendations made.

**(5) Company Secretary Update** - Charlotte advised that recruitment campaigns are well underway for both customer and new board members for the HiS Board and that in response to the HiS Development Day held in November 2022 a revised 2023 HiS Board calendar of meetings had been finalised.

The Board **NOTED** the Board, Committees and Company Secretary Update.

**2504 DIRECTOR OF SCOTLAND UPDATE**

Audrey presented her report focusing on the mid-market rent cap of 3% in Scotland which will affect the level of increase we can apply to our mid-market rent customers; the importance of strong partnerships in Scotland and the recent positive meeting with Dundee City Council; and updates on the Meat Market development scheme, Scotland

staffing restructure exercise and the positive findings of the Great Places to Work Survey for Scotland.

The Board **NOTED** the Director of Scotland's update and agreed to receive a separate report on the high-level findings of the Great Places to Work Survey for Scotland to a future meeting of the Board.

## **2505 RENT CONSULTATION 2023-24**

Audrey recapped that it was a legal requirement to consult with our customers before any changes can be implemented and updated the Board on the outcome of the consultation with customers on the proposed rent for the financial year 2023-24.

In summary a total of 569 customers (14.6% of customers) responded to the rent consultation compared to 262 last year. The top line results indicated the following:

- (a) Overall 78% of responses felt the increase was either very or fairly difficult to afford. This compares with 51% last year.
- (b) 48% of responses felt the increase was not good value for money, interestingly this is an improvement from the response last year where 66% felt the increase was not good value for money.
- (c) 43% of responses are struggling with energy bills, 42% responded they are just about managing.

The Board noted that the service charge will be significantly higher than the 7% rent increase for customers. The service charge includes communal lighting, close cleaning and grounds maintenance costs. The ground maintenance contract was recently re-tendered and cost has increased considerably. The costs will impact our customers significantly. Home in Scotland are committed to proactively supporting any customers facing financial difficulties and we have a number of strategies in place to support customers which include a ring fencing of internal funds to support our most vulnerable customers and a dedicated financial inclusion team to ensure that customers receive any benefit or funding they may be entitled to.

Discussion ensued around the possibility of increased arrears and the potential for reduced income owing to 7% rent increase and the impact this would have on our financial plan. Helen advised that arrears have increased since covid, the team will model for further increased arrears. She did highlight that despite arrears increasing, the debt is usually recovered from customers over a longer period of time. Bad debt write offs for rent arrears often amount to just 0.1% of the rent roll.

A further discussion ensued in relation to the financial projections for Scotland, which look better to the figure of £2.5 million. Helen advised that some work has been ongoing to bring Scotland's financial projections in line with previous years. This includes making changes to the planned maintenance programme.

The Board **APPROVED** the recommendation to increase rent levels by 7%, in line with Home Scotland's current business plan and requested more information on the service charge and support packages on offer at the March Board meeting.

## **2506 DRAFT BUDGET 2023-24**

Helen presented the report informing the Board that every year the HiS budget is prepared ahead of the budget for the Group, allowing this Board to have sight and verify key assumptions ahead of consolidation into the Group budget.

The Board noted that the proposed budget has been set in a challenging economic environment, including significant inflationary pressures and a below-inflation rental increase assumption which was recently consulted on.

Audrey and the team have scrutinised HiS spend and financial performance to understand where efficiencies could be made in the budget. Rental income is expected to increase, as we receive additional income from new homes and reprofile our maintenance and building and fire safety spend.

It was clarified that the mid-market rents for new developments would have been set in the development proposal and that a 3% increase would be applied this year.

A discussion ensued around maintenance costs and where efficiencies have been made. Helen advised that the void standard has been revised and allocation of funds reduced. There have been no changes that would impact tenant health and safety and our legal requirements.

Susan referred to the Group Recharge and requested that a report on Scotland's annual recharge is brought to a future meeting.

The Board **APPROVED** the draft 2023/24 Budget with the final budget approval to be considered at a further meeting of the Board in replace of an Action Committee.

## **2507 FIVE YEAR FINANCIAL PLAN AND STRESS TESTING SCENARIOS**

Helen presented the report recapping on the planning cycle for the 2023 Business Plan and sought Board's approval of the core assumptions that will underpin the 2023 Five Year Financial Plan (5YFP) for the five-year period from 2023-24 to 2027-28.

The Board noted the 2023 5YFP will be presented to the Board for final approval in May and that the financial performance is expected to be

significantly below that under our 2022 5YFP and we will have to carefully review and prioritise our plans.

The assumptions proposed reflect minimal change in capital investment requirements from our 2022 5YFP, however surpluses will be lower due to lower rent increases, and higher inflation and interest.

Discussion ensued on SONIA and the projected figures appearing to be at higher end of scale. Helen advised that the team are receiving continual updates on SONIA and interest rates and will review figures as required.

The Board **APPROVED** the external economic and internal assumptions that underpin the 5YFP, and the detailed stress test scenarios it will be subjected to.

*The Chair proposed a five-minute comfort break at 11.10am and the meeting reconvened at 11.15 am.*

## **2508 QUARTER THREE FINANCE REPORT**

Helen presented quarter three finance report highlighting year to date surplus is £2.8m currently £0.2m behind budget. Further deterioration of this position is expected and year end surplus is likely to be £1.0m behind budget at £3.4m. Income is currently £0.2m behind budget due to handover delays at the Meat Market development and will increase to £0.4m by the end of the year.

The Board **NOTED** Quarter Three Finance Report.

## **2509 QUARTER THREE KEY PERFORMANCE INDICATORS**

Audrey presented the new Key Performance Indicator report explaining that it now demonstrates trends in performance and focuses primarily on areas where not performing well up to the end of December 2022 which included:

(a) Arrears (£1204) – not on target but we have achieved a slight reduction in arrears through early intervention and staff training.

(b) Average Time to Relet (29 days)– On target and team continually striving to ensure that the right people are placed in the right homes.

(c) Repairs Right First Time (86%) – not on target but there has been improvement this quarter.

(d) ASB (70.8%) – not on target. This KPI is affected by the type and nature of ASB reports. Some take longer to reach resolution than others.

The Board welcomed the new format of the KPI report and **NOTED** the performance for the quarter three reporting period.

## **2510 QUARTER THREE COMPLAINTS REPORT**

Audrey took members through the Complaints report up to the end of December 2022 highlighting:

- (a) In the quarter, 97% of Stage 1 and 93% of Stage 2 complaints were responded to within the SPSO timescales. There were two Stage 2 complaints requiring SPSO extensions for complexity this quarter.
- (b) The main driver of complaints continues to be repairs and maintenance.
- (c) The team are focused on learning from complaints and reducing the likelihood of repeat complaints.

The Board **NOTED** the complaints performances for the period covering 1 October to 31 December 2022.

## **2511 QUARTER THREE SCOTLAND OPERATIONAL PLAN**

Audrey updated the Board by advising that the Operational Delivery Plan mechanism for Scotland is currently under review to align this with Group and ensure an integrated approach to strategy delivery and monitoring as well as better collaboration.

Five of fifteen actions were due for completion in Quarter three and a progress update was provided with the report.

The Board **NOTED** the approach and progress with delivery of the Operational Plan for Scotland.

## **2512 QUARTER THREE HEALTH AND SAFETY PERFORMANCE REPORT**

Austin presented the report providing key information on the management of health and safety risks to colleagues and customers, performance outcomes up to 31 December 2022 and highlighted the following:

- (a) The reported numbers of near misses, incidents and accidents remain low; there was one RIDDOR reportable work-related event since the last Board update in August, which was investigated, and actions are taken to reduce the likelihood of re-occurrence.
- (b) The FRA compliance programme is currently fully up to date and no FRA are overdue. There has been a significant improvement in FRA follow up work, only 9 overdue high-risk actions related to

external bin store locks in a single housing estate. These are being followed up as a priority.

- (c) The Building Safety Technical Team completed intrusive inspections at Robertson Gait in the process of developing an action plan to address the issues. The Team arranging further assessments of the Salamander Court in February.
- (d) Gas, lift, and legionella compliance checks are up to date.

A discussion ensued around Salamander Court and FRA actions relating to cladded areas on the top two floors with Board members requesting further review of Scottish legislation in regards to fire safety regulations. Austin agreed to review Scottish legislation and report back.

The Board **NOTED** the Health and Safety Performance Report.

### **2513 ASSURANCE SERVICES PROGRESS REPORT**

Helen Young presented the report with the following update:

- (a) One Scotland specific audit and a further 14 Group wide audits that are relevant to Home Scotland have been completed from the 2022/23 plan. The Scotland specific audit, reviewed the Annual Assurance Statement.
- (b) 32 audit actions have been raised in Home Scotland specific 2021/22 and 2022/23 audits. Of these, 22 actions have been completed by management, and 10 are not yet due.
- (c) Home Scotland audit of Annual Assurance Statement provided Reasonable Assurance and recommendations made have already been actioned with changes in place for this year's process which will see the Governance and Risk Team take on a key co-ordinating role.

The Board **NOTED** the Assurance Services Progress report.

### **2514 ANNUAL POLICY ROUND UP**

Charlotte provided Annual Policy update advising the Board that six policies and one new policy have been approved by Home Group Board since the last policy update and 14 policies were further approved under the agreed delegation scheme. All Policies are available to review on Board Intelligence and work is underway to improve access to the Group's policy framework.

The Board **NOTED** Annual Policy Round Up Report.

### **2515 CODE OF CONDUCT REFRESH**

Charlotte presented Code of Conduct Refresh report advising that the Code of Conduct is under review. Both National Federation of Housing and Scottish Federation of Housing have produced updates to their Model Codes of Conduct in the last two years. It is proposed that Home Group will take best aspects of both model codes to develop a new look version that meets our needs.

The new Code of Conduct will be reviewed by the Governance Committee before Home Group Board approval is sought in March 2023.

The Board **NOTED** and supported the proposed approach to refresh the Code of Conduct.

## **2516 GROW OUR OWN IN SCOTLAND**

Susan Fulton updated the Board on the development of the Grow Our Own Programme in Scotland. The first approach being adopted from 2021 and the broader Grow our Own programme was launched in Scotland in May 2022.

The next steps for the programme include evolution of learning pathways, colleague completion of accelerated learning programmes and HRD to continue to actively promote internal vacancies to those who want to move to another job. Monitoring progress through KPI's including diversity and apprentice measures.

Audrey stated that the Grow Our Own Programme is a fantastic initiative and that staff in Scotland should not feel that location is a barrier as there are opportunities for all.

The Board **NOTED** the progress of the Grow Our Own Programme in Scotland.

## **2517 PROGRAMME OF BUSINESS 2023**

The Board **NOTED** its Programme of Business for 2023 would be amended to reflect the agreed actions arising from today's meeting of the Board.

## **2518 ANY OTHER BUSINESS**

- (1) **March Board Meeting** – Charlotte and Audrey updated Members on likely format for the Board meeting in Dundee, arriving for dinner at approximately 6.00 pm on Monday 6 March 2023, followed by a site visit the following morning and lunch with Dundee colleagues prior to the Board meeting in Mill O Mains area late morning. It was envisaged the Board meeting would finish mid-afternoon and an invite had been extended to senior officials of Dundee City Council to the Board Dinner.

## **2519 DATE OF NEXT MEETING**



7 March 2023, Dundee

*The meeting closed at 12.45pm.*

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