

**HOME GROUP SCOTLAND (HGS) LIMITED
MINUTES OF THE BOARD MEETING HELD ON
11 AUGUST 2026 AT PLEASANCE COURT, DUNDEE**

Present:

Susan Deacon	- Chair
Gavin McKenzie	- Board Member
June Wylie	- Board Member
Raquel Garrido	- Board Member
Catherine Wood	- Board Member
Emmanuel Asante	- Board Member
Mark Henderson	- Board Member [Item 2362]
Robyn Inglis	- Board Member
Grant Campbell	- Board Member

In Attendance:

Austin Woods	- General Counsel
Bryony Willett	- Director of Scotland
Will Gardner	- Executive Director of Development and Investments
Christine Stretesky	- Head of Governance
Helen Young	- Head of Internal Audit
Ruth Corless	- Governance Business Partner
Lynsey Beckett	- Risk and Compliance Business Partner
Jenny Scarlett	- Corporate Performance Reporting Lead

2358 CHAIR'S WELCOME AND APOLOGIES

The Chair welcomed all to the meeting and a round of introductions took place. Raquel was welcomed to her first meeting as a Home Group Scotland Board Member.

Apologies were received from Andrew Wilmot, and Helen Meehan. Mark Henderson would join for part of the meeting due to work relating to the recent Regulatory Inspection (RI) for Home Group.

The Chair congratulated Helen Meehan on her appointment as the incoming Home Group Chief Executive and summarised changeovers due to take place. Parent Group representatives on the HGS Board would be determined in September.

2359 DECLARATIONS OF INTEREST

The published Declarations of Interest were noted. Catherine Wood had informed the Governance Team post pack publishing of a change of Company name that now applied.

This was noted and all Board Members were advised to ensure declarations remained up to date and were declared for any related agenda items.

2360 DRAFT MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were agreed as a true record.

The Board **APPROVED** the draft minutes of 21 May 2026.

2361 ACTION POINTS

The action points were reviewed, and agreement of closed items was confirmed.

The Board **NOTED** the ongoing action points.

2362 BOARD, COMMITTEES AND GENERAL COUNSEL REPORT

The Chair invited Austin to share highlights from his report and welcomed the increasing insight given to the HGS Board in the General Counsel Report.

Austin summarised the work of the Home Group Committees, highlighting how this work contributed to the overall HGS Board assurance and scrutiny. Austin outlined that:

- The learning outcomes of the Regulatory Inspection were being considered. The process would be concluded in late September/ early October.
- The asset and planned investment programme remained under development.
- A development post-completion report would be brought to the Scotland Board following the positive over performance of many scheme developments against projected KPIs approved by the Board.

Catherine Wood outlined her observations of the work of the Development Committee and noted the positive reporting in the "before and after" reports. The quantity of information scrutinised at this committee led it to be an advisory group which drew on the expertise of the non-Executive Directors. Development Committee members discussed the general housing and development market and considered this with informed foresight. Catherine highlighted the impact of viability on delivery and cost of increasing regulation.

Gavin sought clarity on the Asset Performance Report and the link between this and the maintenance function. Stock condition surveys contributed to the development of the overall investment programme, rather than responsive repairs.

Austin reflected that there is further work required on how operational governance reports through corporate governance structures to Committees and Boards. This is a large bit of work that the Governance Team are considering with the wider business, and updates will be brought back as and when available.

Andrew Johnston's appointment to the Customer Committee was noted. Andrew would provide a link between the committee and Home Group Scotland (HGS), and it was proposed that Raquel Garrido and Emmanuel Asante speak with Andrew to understand the interface and feedback mechanism to the Board.

Action: Governance Team

Bryony confirmed that recruitment to the oversight group was currently a challenge. This was due to the lack of grass root engagement opportunities in Scotland. This was being resolved and newly appointed Customer Engagement colleagues were expected to produce positive results. June acknowledged the importance of the Customer Committee and welcomed the development of the Regional Oversight Group.

Barriers to Regional Oversight Group recruitment were discussed. Bryony confirmed that customers needed to believe that their input would make a difference. The newly appointed communications role would support the presentation of this message. An invitation to attend HGS Board would be extended to Amy Menzies (Communications Manager Scotland).

The Governance and People Committee had discussed the performance related pay award. Any outcomes from Home Board approval would be brought to HGS.

Mark Henderson joined the meeting. The Board were updated about the Regulatory Inspection process. The Board were advised of the introduction of the Consumer Standard judgement (C) this year which would be reported alongside the Governance (G judgement) and Financial Viability (V judgement). Mark summarised the improvements and feedback received and confirmed the outcome was expected in October.

Mark was asked about the Scottish Regulator's interest in the outcome. Mark confirmed the Scottish Regulator would note outcomes, and their interest may be impacted by the grading received. The review of funding of the Scottish Housing Regulator was discussed. Home Group's current V2 rating was noted.

The Chair addressed Mark's long-standing contribution to public life, noting especially his work in Dundee. Susan took the opportunity to thank Mark for his help, and the support to the HGS Board. His work north and south of the border was commended. A gift would be presented from the board via the Governance Team.

Mark left the meeting at this point.

Austin updated the Board on the early feedback from the inspection and the expected implications of this to the Home Group Governance Framework. As a major sized organisation with a wide geographical spread the Regulator's checks needed to be robust and assured.

The Board was advised that legal checks regarding the remuneration for HGS Board Members continued.

The Chair acknowledged the imminent personnel changes having recorded formal congratulations to Helen Meehan as the incoming Chief Executive earlier in the meeting. Helen Forsyth would join the meeting in September as the incoming HGS Chair. Helen would be invited to Home Star Awards.

The Board **NOTED** the updates on planned strategy development sessions.

The Board **NOTED** the Board, Committees and General Counsel Report.

2363 DIRECTOR OF SCOTLAND REPORT

Bryony presented the Director's Report and sought approval for property rationalisation proposals. These followed the principles approved by the Board in March 2025. New members were reminded of the purpose and expectations of property disposals and acquisitions.

Jackie confirmed that the Scottish Housing Regulator had recently set out their expectation of prudent asset management, including disposal where this was 'in the best interest of the association'. The proposals set out in the report were positive.

Bryony was asked to explain the risks of any stalling of the disposals and confirmed there was no imminent risk. The issue is that in the longer-term significant investment will be required to maintain homes to a good standard and this is very challenging if the Association is not in majority control of the whole building.

The Board was updated on the lack of EPC records for circa 150 properties. This amounted to 5% of properties let during the period and was being addressed. 90 EPCs

had been commissioned, and the others would be fulfilled. The Regulator would be informed, but Bryony advised that she did not think a formal notifiable event would be required. **Action: Bryony Willett**

The impact of the EPC completions on KPIs was considered. Deep dives for Tenancy Sustainment (Spring 2027) and EPC asset update (September 2026) were proposed.

Action: Agenda

Catherine raised the issue of multi-year funding for new homes and the risk of this funding being withdrawn. Bryony confirmed there was a risk averse approach to development within Home Group, for example through delivery via land-led package deals and S75 agreements. The ability of local authorities/Scottish Government to commit to funding beyond the current financial year was discussed. The Chair noted the need to speak truth to power on aspects of national policy and encouraged colleagues to lean into this whenever an opportunity arose.

The Board acknowledged the funding bid for Homelessness Prevention in Glasgow.

The Board **APPROVED** the disposal of up to five additional minority tenure properties, as set out in the report, subject to approval by the Asset Investment Panel.

The Board **APPROVED** the acquisition of up to five additional properties where Home Group Scotland owns all but one property in the block, subject to approval by the Asset Investment Panel.

2364 BUSINESS PLAN

Jenny Scarlett joined the meeting. Bryony outlined the medium- and long-term financial plans that required underlying decisions. The Board were taken through a slide presentation which outlined the key assumptions, challenges and opportunities in the decisions to influence the Business Plan. The timeline and approvals for the HGS Board were confirmed.

Bryony outlined the key assumptions for investment in existing homes and services. Bryony explained the prudent approach to assumptions around investment levels, particularly for net zero investment. Bryony confirmed the £200K provision to improve customer experience in the reactive repairs service had not yet been allocated.

Interest cover and gearing graphs were considered. Interest cover covenants were met in each year, but the headroom reduced over the ten-year period as investment in existing homes and cost of debt is set to increase.

The Board considered the impact of refinancing in future years and the annual review of the Golden Rules. Gavin expressed the view that the model shown may be unsustainable due to the declining headroom and that the level of investment in the next five to ten years should be considered in detail.

The Board requested that net zero and planned investment be separated in future modelling.

Action: Bryony Willett

Bryony reminded the Board of the need to improve the customer experience and in particular customer satisfaction. Performance in this area was slowly improving, and additional expenditure was not necessarily the answer. Low satisfaction was being driven by communication during the journey of the repair and group investment in the

Plentific system would help. Emmanuel confirmed that communication was key as well as getting the quality and nature of the repair correct.

The £200K contingency for repairs and maintenance was discussed. Discussions with Novus were underway to determine how this could be best used. Raquel queried the involvement of the customer in developing the Customer Engagement Strategy. Bryony agreed to share information on the Customer Engagement Strategy.

Action: Bryony Willett

The Board agreed that the interest cover covenant was the constraining factor in developing more homes. Options to manage this would include reducing expenditure and increasing income. Gavin proposed bringing forward planned/net zero expenditure spend rather than postponing this to the 5 – 10-year window to relieve pressure on interest cover in the 5 – 10-year period.

A robust discussion took place with the Board considering legislation for net zero investment and the impact of this on achieving other priorities. Any unnecessary spending assumptions were to be avoided.

Rent levels were considered. Bryony confirmed that HGS rents were rising faster than many other landlords in Scotland. Options for rent setting were discussed and the impact on covenant levels. Uncertainty in grant allocations was impacting new development building programmes.

Rent harmonisation was discussed and Bryony summarised current practice across HGS for the Board. There was not a consistent approach to rent setting in Scotland.

The Golden Rules were discussed. Jenny clarified how these rules set out the investment assumptions for decision making purposes. Bryony proposed that the Board might wish to consider further exploration of the rules and question the underlying assumptions.

The Board acknowledged the net zero funding and expectations had significant impact. Austin confirmed this same uncertainty existed in England. The Board considered and queried options. The consensus was that HGS should aim to build more homes. Catherine advised that developments could be stalled should circumstances change, and provision to mothball sites could be applied. Traffic lighting developments could happen. Austin proposed that Scottish specific stress testing modelling could take place to prevent loan covenant breaches.

Bryony asked if there was an appetite to revisit rent harmonisation. Detailed analysis would be welcomed with a review of cost rises against rent increases. Avoiding rent increases risked future investment. Resources were required in the long term. Further understanding of customers on benefits and the impact of rent increases was also requested. Like for like sector benchmarking and a rent and service charge review was proposed.

Action: Bryony Willett

The Board agreed there was a strong desire to maintain existing homes, increase the Development Programme and ensure that loan covenants were not breached.

The Golden Rules developed for Scotland would provide a steer to the Board.

The Chair proposed presenting the Board with options, aligned to the rules.

The key options to be considered were:

- Accelerated/increased development spend
- Reduction in net zero
- Acceleration of planned/net zero investment

Action: Bryony Willett/Agenda

2365 FINANCIAL GOLDEN RULES

Jenny advised the Board of the proposals which would be reviewed annually, and different scenarios would be considered around net zero investment.

Action: Jenny Scarlett/Agenda

The Board considered the Golden Rules for Scotland presented in the report. The formalisation, qualification and threshold proposals were welcomed.

The Board **APPROVED** the proposed Golden Rules for HGS Board.

2366 ANNUAL ASSURANCE COMPLIANCE REPORT AND STATEMENT INCLUDING EFFECTIVENESS PLAN UPDATE

Lynsey Beckett joined the meeting and was welcomed by the Chair. The work to undertake this assurance self-assessment and the Board workshops was acknowledged.

The volume of work to evidence compliance was outlined. The reports throughout the year provided ongoing updates and the information needed as part of the overall Board annual assurance process.

Lynsey confirmed the conclusion of the work, and that the statement proposed followed Scottish Federation Housing Association (SFHA) guidance and Scottish Housing Regulator expectations. The SFHA assurance framework toolkit had been used as part of the annual assurance process against the governance and financial management standards. The draft statement provided clear emphasis on the current confidence in HGS's stock data and asset data.

Lynsey explained how Board members had scrutinised the self-assessment and how customers had been involved in the process.

Following the Assurance workshop and proposed changes to the Governance Manual, Lynsey confirmed that the Chair would now be involved in the Director of Scotland's appraisal process and objective setting. In addition, the Viewpoint group had been involved in reviewing effectiveness of customer engagement activities.

Lynsey confirmed that Board members would have access to all information used in the review and benchmarking was in place to support the evidence.

The Chair acknowledged the comprehensive overview and noted the significant internal transparency. Board Members were welcome to seek further information between meetings whenever needed.

Gavin and June confirmed the assurance received throughout the year and welcomed the additional online sessions that allowed the Board to scrutinise this data. The Board agreed that the internal process was rigorous.

The Board **APPROVED** the draft 2026 Annual Assurance Statement for submission to the Scottish Housing Regulator before the deadline of 31st October 2026.

The Board **CLOSED OUT** the 2025/26 Governance Effectiveness Plan.

The Board **APPROVED** the 2026/7 Governance Effectiveness Plan.

2367 HGS ANNUAL STRATEGY REPORT TO HOME GROUP

Bryony confirmed the purpose of the report to the Parent Company, outlining the key financial and performance data and that HGS had acted in line with its agreed strategy.

Bryony sought the Board's approval that the report reflected the HGS activity and could be presented to Home Board. The risk section included would be updated in the next version of the report since the updated risk register was yet to be formally approved and adopted by HGS Board.

The Board **APPROVED** the annual report ahead of submission to HG Board.

2368 DEVELOPMENT APPROVALS

Will Gardner joined the meeting. The Hoghill Farm scheme, West Lothian, was presented to the Board. Social homes in this location were expected to be delivered in 2028-2029. Performance hurdles had been set out and a location map included.

Will advised this was a fixed price scheme, with requested design changes being applied by the developer. Payment would be made part way through the development, which Will would provide details for. The private finance per unit was queried and whether this was value for money. The Board sought detail of a localised price comparison per unit. Will assured the Board this was a good deal and further price analysis assurance had been provided in the Reading Room.

The Board **APPROVED** the Hoghill Farm project proposal.

2369 EDIB AND WELLBEING UPDATE

The Chair advised this item would be deferred to the next meeting.

2370 Helen Young joined the meeting and presented the annual report. Two limited-assurance audits were outlined, with the rented void audit showing limited improvement from the previous internal audit. The stock condition audit also received limited assurance.

Complaints were reported directly to the HGS Board, however, the audit team had identified a high-rated finding relating to heat network properties. Service-level agreement deadlines had been missed, and Ofgem requirements needed to be considered. Bryony agreed with the audit findings.

The statement of internal controls prepared for the financial statements was presented for approval.

The Chair noted that Gavin's representation on the Audit and Risk Committee provided assurance to the HGS Board. Gavin confirmed the Committee's robust scrutiny and supported the proposed statement.

2371 CLOSED SESSION WITH INTERNAL AUDITOR

Colleagues left the meeting at this point and a closed discussion with the Head of Internal Audit took place.

2372 Next Meeting: 17 September 2026

2373 Risk Workshop

Following the business meeting a risk workshop took place led by Catherine Wheeldon, Group Risk and Resilience Manager.

Signed:
Chair

Susan C. De **Date:** 17/9/26