

HOME IN SCOTLAND
Minutes of the Board meeting held on
8 November 2022 at Apex Waterloo Place Hotel, 23-27
Waterloo Place, Edinburgh

PRESENT

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

IN ATTENDANCE

Will Gardner	Executive Director of Development
Rachael Byrne	Executive Director of New Models of Care* (Item 7.1)
Audrey Simpson	Director of Scotland
Charlotte Burnham	Group Company Secretary
Jacqui Mills	Governance Business Partner
Eveline Armour	Lead Engagement Advisor Operations North (Item 4.1)
Robyn Inglis	Viewpoint Customer Representative (Item 4.1)

*In attendance by telephone conference call.

2467 APOLOGIES FOR ABSENCE

No apologies were received.

2468 DECLARATIONS OF INTEREST

Correction to Declarations of Interest noted and updated on Board Intelligence.

Audrey Simpson declared interest in item 7.3.

2469 ACTION POINTS

The Board reviewed and **NOTED** the Action Points and **AGREED** that the actions taken to address action points 2553 Deep Dive into High Risk Buildings and 2558 Cross Subsidy Model were complete.

2470 DRAFT MINUTES OF THE HOME IN SCOTLAND BOARD MEETING HELD ON 23 AUGUST 2022

The Board **APPROVED** as a true record the minutes of the Board meeting held on 23 August 2022.

2471 DRAFT MINUTES OF THE HOME IN SCOTLAND FIRST MEETING AFTER THE AGM HELD ON 23 AUGUST 2022

The Board **APPROVED** as a true record the minutes of the Board meeting held on 23 August 2022.

2472 CHAIR'S REPORT

The Chair provided a verbal update on the Home Group Board meeting held on 22 September 2022 advising of three issues of particular interest for Home Scotland Board members:

- (1) **Rent Increase Consultation** - The Home Group Board have not yet agreed the Group's rent increase for 2023/24, however, were modelling against a 5% anticipated rent cap and expected an announcement by the UK Government on 17 November 2022. It was noted that the Scottish Government's rent cap decision is to be announced by 14 January 2023;
- (2) **Mutual Payment Scheme** - The Group has approved a £250 payment in November 2022 for all staff as an appreciation for their efforts during the year; and
- (3) **Social Housing Decarbonisation Fund** - The Home Group Board approved the submission of a funding bid to retrofit a thousand homes. Whilst this is specific to England, the Chair is keen for the Home Scotland Board to note the scale of the Group's ambition and that Home Scotland will be working towards a Greener Scotland Partnership.

The Chair also referred to the following in her update:

- (4) **Home Stars Winners** - Congratulations were offered to Audrey and team Scotland who secured the Home Stars Award for their Fuel Poverty work; and
- (5) **Board Membership and Development** - The Chair noted that Ron Bowes had recently stood down as a member of the Home Scotland Board and that Home Scotland will be redoubling their efforts to recruit new Members to the Board with a specific focus on increasing customer membership. Board recruitment will also be discussed further at the Board Development Day on 16 November 2022.

The Board **NOTED** the Chair's verbal update.

2473 COMMITTEE UPDATES

Susan referred to the report and the minutes of previous Committee meetings, which were available in the Reading Room, and individual Board Members in attendance provided an update where relevant.

- (1) **Health and Safety Governance Committee** – Whilst Ian did not attend the last meeting, he provided a verbal update with regard to the Health and Safety Culture Survey disappointing response rate of 10%; that Fire Risk Assessments are progressing well; and Higher Risk Buildings have become more of a challenge with recent changes to categories in line with Government assessment.
- (2) **Audit Committee** – Gavin attended the recent full day Audit workshop to review effectiveness of the Audit Committee. The day provided assurance that the committee operates effectively. KPIs; Cyber Attacks and GDPR were also part of the focus for the day.

The Chair referred to the Cyber Attack Report and Charlotte confirmed this would be circulated to the HiS Board Members in replace of the proposed informal briefing.

Helen advised that Helen Young was recently appointed formally to the position of Head of Audit.

- (3) **Development Committee** – Charlotte asked members to note that there were two schemes endorsed by the Committee, as the third scheme was withdrawn.

The Board **NOTED** the Committee Update Report.

2474 CUSTOMER FOCUS ITEM

Viewpoint Customer Representative Robyn Inglis was introduced to the meeting at 10.50am.

Robyn shared that she resides in Dundee with her three sons and has been a Home Group tenant for three years. She joined Viewpoint after a poor repairs experience and became a Customer Assessor in March this year.

Robyn gave an overview of the Customer Promise Assessments which has a five-score format throughout. Viewpoint customers' are very happy with conducting the assessments, their concerns were that the answering options "very happy, fairly happy, neither happy nor unhappy, fairly unhappy or very unhappy" are repetitive and those customers being surveyed become disinterested. Whilst assessors understand the need for consistency, Robyn suggested improvements could be made through the introduction of a 'showcard' with the emojis at the beginning of each survey would provide a visual choice of response for those being surveyed that could then be verified by the customer assessor.

In response to a Customer Panel trip to the Home Group Call Centre in Newcastle, Robyn noted that all the contact centre staff were from Newcastle or more Southernly. She made a suggestion that perhaps Scottish people

could be trained as customer contacts who worked from home in Scotland. This would offer familiarity and comfort to customers calling the contact team from Scotland.

The Board thanked Robyn for the delivery of her informative presentation and **AGREED** that the customer representative item become a regular agenda item at future meetings of the Board.

2475 DIRECTOR'S REPORT

Audrey delivered a comprehensive presentation on her vision for the direction of Home Scotland, key priorities and performance to date.

Discussion ensued on affordable and sustainable homes, co-designated with customers; to continue to build mixed tenure homes with all new homes net zero by 2026; establishing strategic partnerships and connect with local authorities; strengthening the customer voice and increasing diversity of participation and developing Local Community Plans.

The Board thanked Audrey for her informative presentation and **NOTED** the Director's presentation would feed into discussion on subsequent agenda items.

2476 2022-23 FIVE YEAR FINANCIAL PLAN UPDATE

Helen informed the Board that since our 2023-23 Five Year Financial Plan (5YFP) was approved back in May 2022 and submitted to the Regulator, many of the approved assumptions underpinning our 5YFP have in recent months changed significantly. As such it is important that the Board has full visibility of these changes and the potential impact they could have on our plans.

Discussion ensued on the updated economic assumptions in relation to higher interest rates and inflation, together with a lower rent increase and the latest development pipeline for new homes.

Helen shared the combined cash flow impact of such changes is £17.3m deterioration and a combined cumulative impact on surplus before tax of £16.8m reduction over the 5YFP approved in May 2022.

Further discussion ensued on the detailed mitigation plans to improve the potential financial performance and reduce borrowing requirements in the short-term, through changes to maintenance spending and the new homes development pipeline.

The Board **NOTED** the latest forecast against our 5YFP and the correction to the report with regard to a potential rent freeze in 2023/24 which could cost £5.7m and not £7.5m as stated and requested further information on assumptions and cash flow to aid future discussion.

2477 FINANCE REPORT

Helen presented the finance report for the Q2 reporting period, informing the Board that year to date surplus is £3m, £1.3m ahead of budget, forecasting a year end surplus of £4.0m, £0.4m behind budget.

Discussion ensued on planned maintenance underspend of £0.9m although it is expected to complete the full programme by the end of the year; the additional £0.1m spent on fire risk assessment follow on actions; the £0.4m reduction to budgeted income due to build delays at the Meat Market in Glasgow.

The Board **NOTED** the quarterly finance update for Q2 reporting period and that our customers continue to be significantly impacted by the rising cost of living, which is likely to impact further on voids and arrears.

2478 ARC BENCHMARKING

Audrey shared the Scotland Housing Network's presentation of September 2022 providing a national overview for 2021-22 relating to the tenant satisfaction and performance compared with our peers.

The Board **NOTED** the benchmarking information provided.

2479 KEY PERFORMANCE INDICATORS

Audrey presented the report outlining the key performance information for September 2022, with particular focus on what was going well and the areas for improvement.

Discussion ensued on the void loss now £23k below budget for the year to date; delivery handovers with Calderwood progressing with 40 homes handed over so far; the management of arrears levels heading into winter with customers facing higher fuel bills and on-going challenges presented with high inflation and cost of living crisis.

The Board **NOTED** the key performance information outlined within the report.

2480 COMPLAINTS REPORT FOR QUARTER TWO (JULY TO SEPTEMBER 2022)

Audrey shared the complaints handling performance for Q2, covering the period July to September 2022.

The report highlighted that we had responded to 94% of Stage 1 and 91% of Stage 2 complaints with the Scottish Public Sector Ombudsman timescales; the main driver of complaints continuing to be repairs and maintenance issues; and an overview of the lessons learnt from complaints.

The Board **NOTED** the complaints performance outlined within the report.

2481 OPERATIONAL PLAN

Audrey informed the Board that the Scotland Operational Plan for 2022/23 had been circulated under separate cover and provided an update on the progress made in delivering the objectives, which linked to the Group's overall strategic objectives.

The Board **NOTED** the Scotland Operational Plan for 2022/23 and the progress made to date.

2482 HEALTH AND SAFETY PERFORMANCE

Audrey presented the report outlining key information on the management of health and safety risks to colleagues and customers, performance outcomes for the period covering 1 April to 30 September 2022.

The report highlighted that the Health and Safety Team did not receive any significant accidents or RIDDOR reportable work-related events since the last update to Board in August 2022; Fire Risk Assessments (FRA) has improved to 85%; gas, lift and legionella compliance checks are up to date with three outstanding electrical inspections relating to voids expected to be completed soon.

The Board **NOTED** the report and that there are no significant emerging risks brought to the Board's attention.

2483 CARE AND SUPPORT OPTIONS FOR HOME SCOTLAND

Rachel attended the meeting by MS Teams at 11.58 am to provide an overview of Home Group's care and support products and services currently delivered at scale in England to inform a discussion about the viability to establish new services in Scotland.

Discussion ensued on exploring supported living services in Scotland albeit a crowded market to move into and how this would fit with our strategic plan.

The Board **NOTED** the report outlining care and support options and requested Rachel give further thought to a supported living model proposal for Scotland for consideration at a future meeting of the Board.

2484 RENT CONSULTATION PROPOSALS 2023/24

Audrey presented the report which sought approval to consult customers on a single capped rent increase of 5% for 2023/24 ahead of the customer consultation exercise to take place from November 2022 with feed back to the February 2023 meeting of the Board alongside the draft budget for 2023/24.

It was acknowledged that the Scottish Government was committed to announcing any restrictions to be imposed on our ability to increase rents by the 14 January 2023.

Audrey further shared that the consultation would not include the increase to the service charges at this time, as work is still ongoing to prepare Service Charge statements. However, significant increases are anticipated in relation to communal heating and lighting, cleaning and grounds maintenance works and failure to pass these onto the customer would result in further reductions in our financial performance requiring greater mitigation.

Discussion ensued on the impact of service charge increases; financial inclusion support available to customers and offering a more targeted approach; the use of telephone surveys as part of the consultation exercise to better understand the customers thoughts; our legal obligation to consult on rent increases in Scotland and the importance of clear and transparent communication to customers on cost pressures, service levels etc.

The Board **APPROVED** the proposals outlined within the report for our rent increase for the 2023/24 customer consultation process and the analysis / findings of the consultation process to be presented to the February meeting of this Board for further consideration.

2485 ASSET UPDATE

Will presented the asset report proposing the disposal of the void and problematic properties at Broomton Road, East Balornock to Homes for Good together with an update on the underperforming homes in Dundee and Dumfries and Galloway.

The Board **NOTED** the report and that further progress on the options for the underperforming homes in Dundee and Dumfries and Galloway will be reported to the Board next year.

2486 DEVELOPMENT APPROVALS

Will sought approval for two development schemes (1) Winchburgh 02a, West Lothian consisting of 55 new homes for social rent; and (2) Holmlea Primary School's energy efficiency enhancement works to 24 homes in Glasgow.

The Board **APPROVED** the two Development Schemes (1) Winchburgh, West Lothian and (2) Holmlea Primary School, Glasgow as outlined within the report.

2487 HOME SCOTLAND OPERATIONAL MANUAL REVIEW

Charlotte sought approval to the updated Home Scotland Operational Manual following minor changes as part of an annual review.

The Board **APPROVED** the updated Home Scotland Operational Manual.

2488 TREASURY REPORT

Helen provided the Board with an update on treasury activities since the last report to the Board in June 2022.

Discussion ensued on funding options, with particular focus on the new £50m loan agreement for Homes Scotland paused recently in light of volatility and increased interest rates linked to the 5YFP earlier discussion; the impact of market conditions on variable rate loans; and the various information requirements by our external lenders to fulfil the terms of the loan agreements.

The Board **NOTED** the report outlining the update on treasury activities.

2489 RISK UPDATE

The Board **NOTED** the report outlining updates to the Home Scotland Risk Register and the mitigating actions in place for risks within the current operating environment.

2490 DRAFT DESIGN GUIDE

The Board **NOTED** the 2022 Draft Design Guide, co-created with Home Group customers to build the right homes in the right places in line with our strategic goal.

2491 PROGRAMME OF BUSINESS 2023

The Board **NOTED** the report and **AGREED** to undertake a fuller discussion on the 2023 Programme of Business at next week's Development Day.

2492 ANY OTHER BUSINESS

There being no other business the meeting closed at 1.15 pm.

2493 DATE OF NEXT MEETING

The next meeting of the Board will be held on 7 February 2023 at 9.30am.