

HOME IN SCOTLAND

Draft Minutes of Board Meeting held on 7 February 2024 via Microsoft Teams

PRESENT

Susan Deacon	Chair
Gillian Campbell	Board Member
Catherine Wood	Board Member
Gavin MacKenzie	Board Member
Robyn Inglis	Board Member
Grant Campbell	Board Member
June Wylie	Board Member
Helen Meehan	Board Member/ Chief Financial Officer
Mark Henderson	Board Member/ Chief Executive Officer

IN ATTENDANCE

Audrey Simpson	Director of Scotland
Charlotte Burnham	Company Secretary
Dean McGlynn	Governance Business Partner

2640 APOLOGIES FOR ABSENCE

Apologies were received from Kellie McLeod.

2641 2024/25 Rent Consultation Outcome and Final Rent Settlement

Audrey presented the report outlining the responses from customers following a consultation on a rent increase of 7.7% for 2024/25.

Audrey confirmed that the overall response rate of 10% of customers was a favourable return and in line with sector standards. An analysis of the consultation responses was shared with the Board, detailing that 8% of respondents felt that rent was unaffordable. The report also detailed that according to the sector guide on housing affordability in Scotland, 46 customers may find an uplift of 7.7% difficult to afford – however this tool does not account for any uplifts to benefits in the upcoming financial year.

Audrey concluded that Home in Scotland's financial position had not changed since the previous Board discussion on rents in November 2023 and therefore there is a strong business case presented to the Board for a rent increase of 7.7% for 2024/25

whilst proactively offering support to customers that may struggle to afford the increase.

Robyn shared her experience of attending a customer promise assessment recently and informed the Board that many of the customers she had spoken with had accepted the reasoning for a rent increase of 7.7% but added that many felt that this was dependant on improvements to repairs and customer service.

Catherine sought clarification on the differences between increasing rent and service charges. Audrey confirmed that these were separate costs that covered different services and that it is difficult to benchmark service charges with Home in Scotland's peer group as in recent years inflation and the cost of energy and ending of fixed term energy contracts has meant that many organisations have had to implement different levels of service charge increases over different years.

June enquired over the level response across different tenures to this consultation and if there had been different responses from different tenures across Home in Scotland's customers. Audrey informed the Board that this consultation had been for Social Rent customers only – as this is the legal requirement for rent consultations in Scotland. June also asked for clarity regarding how the Regulator assesses that Home in Scotland has met this requirement. Audrey clarified that the Scottish Housing Regulator receives minutes from each meeting where decisions and discussions are recorded.

Gillian asked for clarity regarding Mid-Market Rents and if affordability might be an issue for those Home in Scotland customers in relation to other cost pressures at the moment. Audrey informed the Board that Mid-Market Rents are considered separately to social rents and have a different process of rent increases. She added that there is uncertainty regarding any proposed rent freezes or controls from the Scottish Government in the near future. This uncertainty has meant that Mid-Market Rent increases are out of cycle with social rents and any proposal to increase Mid-Market Rents would be outlined in a report to the Board, which sets out the Scottish Government's position on rent increases in the Private Rented Sector, which Mid-Market Rents are currently categorised under.

June welcomed the range of support available for Home in Scotland customers but asked for more detail on the impact these support services are having to support any customers

that are struggling. She also asked for detail on whether the 46 customers identified that may struggle with a rent increase have been offered or engaged in this support already. Catherine commented that support should be proactively offered to customers to ensure they are aware of its availability.

Audrey detailed the support being put in place for any customers that may struggle to afford an increase in rent and confirmed that Home in Scotland will take a proactive approach to contacting those customers identified that may struggle and also proactively offer and promote support services to all customers. Audrey agreed to provide some case studies that provide further detail on these services and demonstrate the impact they have in supporting Home in Scotland customers.

Gavin commented that it was clear that a 7.7% increase is necessary providing that suitable support is in place for anyone that struggles. This allows Home in Scotland to continue to serve customers best. Mark agreed and added that he feels this level of increase is difficult to approve but that it's necessary due to the current external economic environment and is a consequence of decisions the organisation has no control over.

Grant agreed and added that it is important that the organisation considers how we communicate that customers have been heard, the consultation was meaningful, and that the Board's decision was based on protecting and improving services. Grant highlighted the importance of demonstrating our value as a service and to respond to customers that took the time to respond to the consultation, especially where there has been feedback on Home in Scotland's services.

Mark commented that the prescriptive nature of the consultation could be improved to allow for more beneficial dialogue between the organisation and customers and this should be fed back to the Scottish Housing Regulator. He added that there are currently a high number of consultations that are not necessarily adding value to organisations and service delivery. Robyn agreed and commented that the decision to consult on one figure was correct and allowed for a process that was realistic and presented customers with the lowest possible figure that allows for services and planned works to continue.

Gillian commented that it was important to remember that the consultation process is a statutory requirement but believed the sector is conservative in its approach to fulfilling this

requirement and that there is scope for organisations to be more creative in their approach to this.

Susan agreed that it's important to feedback to the Scottish Housing Regulator on improvements that could be made to this process and building a better system that enables customer engagement in the work of housing associations.

Susan concluded that the recommendation of a 7.7% rent increase was supported by the Board members in attendance and noted that this was a reluctant decision, but it was felt that this level of increase is required based on the evidence, consultation responses, and strategic importance of ensuring Home in Scotland's continues to invest in its homes and deliver more affordable homes in the future. Susan also noted Board members comments on the importance of ensuring that Home in Scotland's repairs and customer service continues to improve to demonstrate that this increase is essential.

The Board **AGREED** to increase Home in Scotland social rents by 7.7% for 2024-25.

2642 PROGRAMME OF BUSINESS

The Board **NOTED** the current 2024 Programme of Business.

2643 ANY OTHER BUSINESS

Susan informed the Board that the March meeting was set to be held in Glasgow with further details on the location and accommodation to be shared with members in due course. Susan added that the joint dinner with Home Group Board colleagues is also taking place in March, and both sets of members are looking forward to bringing colleagues together.

Susan added that arrangements are under way for an interim appointment for Director of Scotland and that Board members will have an opportunity to input into the process for appointing a permanent position.

Susan also added that the Board would have a further opportunity to discuss the implications of the latest Scottish Government budget at the March Board meeting.

2644 DATE OF NEXT MEETING

Monday 12 March 2024