

HOME IN SCOTLAND

Draft Minutes of Board Meeting held on 22 August 2023 in the Courtyard by Marriott Edinburgh, 1-3 Baxter Place, Edinburgh, EH1 3AF

PRESENT

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

IN ATTENDANCE

Audrey Simpson	Director of Scotland
Charlotte Burnham	Company Secretary
Will Gardner	Executive Director of Asset and Development
Callum Foster	Director of Finance
Shona Mitchell	Senior Advisor
Austin Woods	Director of Legal [Item 2574 via Microsoft Teams]

2563 CHAIR'S OPENING REMARKS AND APOLOGIES

The Chair welcomed everyone to the meeting, in particular incoming Board Members, June and Grant, provided an overview of the running order for the day followed by introductions.

It was **NOTED** that no apologies were received.

2564 DECLARATIONS OF INTEREST

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

2565 ACTION POINTS

The Board **NOTED** the Action Points

2566 MINUTES OF BOARD MEETING HELD ON 6 JUNE 2023

The Board **APPROVED** the minutes as a true record of the meeting.

2567 MINUTES OF THE ACTION COMMITTEE HELD ON 7 AUGUST 2023

The Board **APPROVED** the minutes as a true record of the meeting for the appointment of June Wylie, Kellie Macleod and Grant Campbell to the Home in Scotland Board subject to satisfactory checks, references and approvals.

2568 BOARD, COMMITTEES AND COMPANY SECRETARY UPDATE

Charlotte presented the Company Secretary updates within the report and formally noted with thanks Susan, Gillian and Gavin's involvement in the recent round of Board Member recruitment for Scotland; announced Dean McGlynn as the new Governance Business Partner with effect from November 2023; the timescales of the SHR's Regulatory Framework Review and the finalisation of the 2024 Boards and Committees dates soon to be issued.

The following updates were heard from the respective representatives for each Board and Committee:

- (a) Home Group Board – The Chair advised that it had been an extremely busy few months for the Home Group Board and that the Group's AGM was held on 27 July 2023 with a further special general meeting being held in September 2023 to consider the Annual Report and Financial Statements due to the MPS settlement.
- (b) Audit Committee – Gavin reported that an all-day meeting was held with a risk management workshop in the morning to review strategic and emerging risks with the Executive Team and the afternoon committee meeting focusing on external auditors report provided by Deloitte and updates on internal controls, data protection, cyber security, and the appointment of the external auditor to non-audit work.
- (c) Health and Safety Governance Committee – Ian updated that this was his last meeting as a very active member of the Committee at both Group-level and Scotland. In addition to a site visit to Watergate Court, an extra care scheme in Gateshead, the Committee continued to consider in detail health and safety performance relating to building and fire safety.

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

2569

DIRECTOR OF SCOTLAND REPORT

Audrey updated the Board on the following key issues as part of her Director of Scotland update:

- (a) A high-level overview of finance, arrears, voids and delivery of planned maintenance and cyclical decoration schemes.
- (b) Social Housing Fuel Support Fund – Successfully securing £75k funding to provide additional fuel support services until the end of March 2024.
- (c) The Wise Group relationship mentoring referral scheme which is now live.
- (d) Mid-Market Rent (MMR) and the Scottish Government’s verbal assurance to the SFHA to resolve MMR being impacted by rent controls on the private rented sector.
- (e) Complaints Handling – A priority area for improvement through a Special Measures Review Group to lead on identifying and driving change in the way we handle complaints across Home Group and that Scotland operates under a different Ombudsman framework, known as the Scottish Public Services Ombudsman (SPSO) with no current complaints being referred to the SPSO.

The Board **NOTED** the Director of Scotland’s Update.

2570

QUARTER ONE FINANCE REPORT

Callum presented the Quarter One Finance Report highlighting that at the end of quarter one surplus was £1,482k, £209k ahead of budget forecasting a full year surplus of £3.8m, £157k ahead of budget.

The main driver of the variance is the handover delays at the Meat Market in Glasgow resulting in a reduction in rental income of £148k lower than budgeted and interest costs of £332k lower than budget albeit under regular review given the economic environment. Other variances across the management account categories were either relatively small or expected to correct through the year.

Discussion ensued on the soon to be announced S&P credit rating for Home Group and the implications of creditworthiness with the market and the Regulator should our A- rating be downgraded; the handover delays of the Meat Market scheme, Glasgow and whether the layout of cash flow section of the report could be simplified to assist with understanding.

The Board **NOTED** the Quarter One Finance Report.

2571 QUARTER ONE KEY PERFORMANCE REPORT

Audrey presented the Quarter One Performance Report highlighting good arrears, repairs and void performance this quarter. It was noted that the trend for Quarter One is shown in comparison to 2022/23 Quarter Four performance and that targets for ARC indicators will be reviewed once the sector results for 2022/23 are published by the Regulator, expected by 31 August 2023.

Discussion ensued on the performance of new homes handed over and the likelihood that the target would be back on track by the end of Quarter Three and the below target performance in the number of ASB cases closed during this quarter.

Following discussion and questions from members, the Board **NOTED** the content of the Quarter One Performance Report.

2572 DEVELOPMENT PROGRAMME UPDATE

Will presented the report outlining the continued investment in the Development Programme, as per Home in Scotland's Business Plan with focus across existing areas of stock footprint including Dundee, Edinburgh, Glasgow along with expansion into West Lothian.

Discussion ensued regarding the 150 new build properties expected to start this financial year against the business plan target of 194; the 467 new build properties expected to complete versus 371 outlined in the business plan due to delays with the Meat Market Scheme and the forecasting of 1,184 new build properties expected to complete over the business plan.

The Board **NOTED** the progress of the Development Programme.

2573 QUARTER ONE COMPLAINTS REPORT

Audrey presented the Quarter One Complaints report covering the period April to June 2023 highlighting 97% of Stage One and 92% of Stage Two complaints were responded to within SPSO timescales and that efforts continue to meet 100% target for every case to the satisfaction of the customer remains a priority.

The main driver for complaints continues to be repairs and maintenance issues.

The Board **NOTED** the Quarter One Complaints Report.

2574 HEALTH AND SAFETY PERFORMANCE REPORT

Austin presented the Quarter One Health and Safety Performance Report outlining key information on the management of health and safety risks to colleagues and customers.

The report highlighted no RIDDOR reportable accidents, a low number of accident reporting due to low risk work environments, however, a campaign to increase near miss reporting is on-going and that Novus also reported zero workplace accidents this quarter.

Austin outlined the work underway to review the frequency of future FRA inspections and the piloting of a new approach to deliver FRA inspections.

A discussion ensued around the one live fire risk assessment action and the four overdue FRA inspections and the Board were assured these would be recovered on completion of the pilot schemes. It was also reported that gas, oil and solid fuel, lift, asbestos and legionella compliance checks are up to date and the seven overdue electrical checks at the end of June 2023 due to access problems have since been completed.

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

2575 ANNUAL REPORT AND FINANCIAL STATEMENTS

Callum presented to the Board the Annual Report on Financial Statements noting that this has been audited by Deloitte which was expected to issue an unmodified opinion (a 'clean' opinion).

The Board **APPROVED** the Annual Report and Financial Statements for signing.

2576 ANNUAL ASSURANCE STATEMENT 2023

Audrey and Charlotte gave a joint presentation to the Board to provide assurance of continued compliance with the regulatory standards (see presentation in the Reading Room).

The Board specifically referenced the on-going assurance process undertaken by Charlotte's team against the regulatory standards and was assured that the annual gap analysis had identified strong compliance across all standards with only minor improvement actions identified to adopt our own Notifiable Events policy and guidance and an action plan to further develop equalities and human rights standards.

The Board **DISCUSSED** the report and **APPROVED** the draft Annual Assurance Statement for 2023 for submission to the Scottish Housing Regulator before the deadline of 31 October 2023.

2577 DEVELOPMENT SCHEME APPROVALS

Will presented the report to seek approval of the following development schemes, in line with our business plan assumptions, stress testing and financial capacity:

- (1) **Royal Hospital for Sick Children, Edinburgh** – A design and build contract with JR Group for the delivery of 31 homes (20 social rent and 11 mid-market rent) as part of a wider re-development of the former Royal Hospital for Sick Children site in Edinburgh, making up the affordable housing contribution required by the Section 75 Agreement. Total cost of scheme - £8.1m.

The Board expressed concern regarding the governance approval route and sequencing of Scotland development schemes as the Chair recalled this scheme had recently been approved by the Home Group Board on 27 July 2023.

Further concern was expressed with the high build costs of this scheme due to the project being located within a conservation area and the specific planning requirements for specialist finishings to include stonework, windows and slate roofs and whether there would be the opportunity to negotiate additional grant with the local council if required.

- (2) **Mill O' Mains Phase Four, Dundee** – To deliver 48 social rent homes as Phase Four of the Mill O' Mains regeneration project. The accommodation mix includes 14 x two, three and five bedroom houses, two cottage

style flats, eight flats for Dundee City Council social work (two storey) and two blocks of three storey flats totalling 24 x one and two bedroom flats. Total cost of scheme - £10.53m.

The Board **APPROVED** the development schemes for (1) Royal Hospital for Sick Children, Edinburgh and (2) Mill O' Mains Phase Four, Dundee and **AGREED** to review the governance route and sequencing of Scotland Schemes in consultation with the Chair.

2578 ANNUAL INCIDENT AND SAFEGUARDING REPORT

Audrey presented the annual report outlining a summary of the safeguarding issues emerging from April 2022 to March 2023 and the activity to promote good safeguarding practice and keep customers safe.

Discussion ensued in the slight increase in the overall number of safeguarding incidents reported had increased from 30 in 2021/22 to 36 cases in 2022/23 across all rented services in Scotland, with one incident reported from our Mid-Market Rent service. These related to self-neglect and physical, psychological or emotional abuse. With the number of reported incidents for Safeguarding Children decreasing from five cases in 2021/22 to one neglect case in 2022/23.

The Board **NOTED** the Annual Incident and Safeguarding report for 2022/23.

2579 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 Board meeting.

2580 ANY OTHER BUSINESS

No other business was discussed.

2581 DATE OF NEXT MEETING – First Board Meeting to be held immediately after the AGM same day.

3 October 2023, West Lothian for Board meeting and Edinburgh for overnight stay/Board Dinner.

The meeting adjourned at 12.30 pm then reconvened immediately after the AGM/First Meeting with the meeting closing at 1.15 pm.