

Regulation Board Meeting 04 2009/10**REGULATION BOARD****MINUTES OF MEETING****Room 7, Highlander House, Glasgow, 10:30 Wednesday 10 February 2010****Present:**

Michael Cameron Acting Chief Executive (Chair)
Ian Brennan Head of Business Analysis
Iain Muirhead Head of Policy & Corporate Services
Christine Macleod Head of Support & Intervention
Lesley Kerr Acting Head of Inspection (for items 1-8)
Mairi Keddie Non Executive Board Member
Alex Condie Non Executive Board Member
Ray Macfarlane Non Executive Board Member

In attendance:

Roisin Harris Secretariat

Agenda**Item**

- 1(a) Apologies**
There were no apologies.
- 1(b) Declaration of Interest**
- There were no declarations of interest for the meeting agenda.
 - Alex Condie declared he is a co-opted member of the executive committee of the Fife Federation of Tenants and Residents, this appointment is reviewed annually.
 - Michael Cameron reported that he and Mairi Keddie have discussed her potential conflict of interest with SHR's inspection of Edinburgh City Council. The Board agreed there is currently no conflict, but this will be managed appropriately if a conflict arises at the Regulation Board.
- 1(c) Register of Gifts and Hospitality**
Michael Cameron reported he had attended the Chartered Institute of Housing Presidential dinner on 22 January 2010. There were no other updates for the register of gifts and hospitality.
- 1 (d) Matters Arising**
Ian Brennan told the Board his Branch is developing a measurement of SHR's engagement with high and medium risk organisations. The Board noted all other matters arising from the previous meeting were completed.
- Action Roisin Harris to update the Board's declaration of interests and register of gifts and hospitality published on SHR's website.**
- Action Ian Brennan to update the Board on measuring SHR's engagement with high and medium risk organisations.**

Strategic Management

2. Transition update and draft transition plan

Michael Cameron told the Board the Scottish Government had confirmed it would be running a voluntary severance/ early retirement scheme during 2009/10. The timescales for this scheme are very short and any successful applicants would have to leave the Scottish Government by 31 March 2010. Michael confirmed the outcome may have implications for SHR's short term business continuity, and EMT will monitor the situation closely and respond as necessary.

Iain Muirhead presented the Board with a transition plan mapping out high level milestones and activities until 2014/15 and proposed a template report to update the Board on progress. He also circulated Microsoft Project Gant charts mapping out the transition work streams in more detail. Iain reported current focus is around changes to the staff structure and ongoing work with the Scottish Government on commencement of the legislation and the establishment of the new corporate body.

The Board welcomed the progress to date and discussed the potential risks to the process and regulatory business.

Michael told the Board that the Transition Advisory Group met for the first time on 5 February. This group includes representatives from the trade unions, HR and the Director of Housing and Regeneration in the Scottish Government.

The Board agreed to the proposed approach to reporting and monitoring.

Action Iain Muirhead to provide the Board with a background paper which gives an overview of the transition project and sets out the risks and drivers.

3 Draft Corporate Plan

Iain Muirhead presented the Board with a draft Corporate Plan for 2010/11. He told the Board SHR will work to the same six objectives set out in the 2008-10 plan, but now within the context of transition.

The Board discussed the draft plan and suggested:

- more information on SHR's work with private funders could be included in the context and objectives;
- the operational target around complaints should be the percentage responded to within target;
- SHR to consider including appropriate target levels for its operational indicators; and
- there should be more information around transition work included in the section on people and resources.

Michael told the Board the next steps were to take the plan to Scottish Government and seek approval from the Minister in line with SHR's

framework agreement. The Board agreed it would be useful to take soundings from a few key stakeholders first.

Action **Iain Muirhead to amend the draft Corporate Plan as agreed by the Board and discuss the plan proposals with a few key stakeholders before seeking approval for the plan with the Minister.**

4 Quarter Three Business Plan & Management Information report

Iain Muirhead presented the Board with the quarterly performance reports and a covering paper outlining some of the agency's key achievements during quarter three.

Roisin Harris confirmed the Tenants' Regulation Advisory Group (TRAG) had generally welcomed the 2008/09 Annual Report and Accounts format. TRAG suggested a one page summary may be useful for tenants. Iain told the Board SHR is aiming to publish a one page report on SHR's achievements for 2009/10 in April 2010 on SHR's website.

Iain highlighted that the Board performance figure on invoices paid within ten days for quarter three (85%) purposely excludes ten invoices. Iain explained that SHR had no role in the payment process for these invoices and had not even seen them. They were billed direct to the Scottish Government from the supplier as part of a central Scottish Government contract. The Scottish Government had not paid the invoices within target. This resulted in a very poor reported performance for SHR in December (33%). Iain assured the Board that SHR has discussed this with the Scottish Government's finance team to help prevent a reoccurrence.

Michael told the Board the results of the 2009 employee engagement survey were expected shortly and would be reported to the next Regulation Board in May.

Action **Michael Cameron to report the results of the 2009 employee engagement survey to the next Regulation Board meeting.**

Action **Iain Muirhead to email the quarter three sickness absence statistics to the Regulation Board when these are provided by the Scottish Government.**

5 Quarter three Budget report

Iain Muirhead presented the Board with a report reviewing spend against forecast budget to the end of quarter three 2009/10.

Iain confirmed that SHR has given up the dedicated hot desk spaces in Thistle House in Edinburgh from April 2010 to save money.

Michael Cameron confirmed that EMT had anticipated the 2011/12 budget and worked backwards to assess the savings needed to deliver this. Although EMT managed to cut non-staff costs by 20%, unfortunately there is still a need to reduce the staff salary bill.

The Board noted the budget report.

6 Risk Register

Iain Muirhead presented the risk register as agreed in November 2009 for discussion and updating. The Board discussed the risks identified and agreed to:

- amend the wording of risk four: '*we are unable to control corporate services provided by Scottish Government*' to better reflect the current transition situation, specify the services received and increase the likelihood to high; and
- consider how transition risks can be reflected in the register.

Iain highlighted that until now the risks were aligned with 2009/10 business plan activities. When the Board next meets there will be a new business plan for 2010/11 in place, so he will be refreshing the register to take account of this.

Ian Brennan told the Board that SHR will be working with an IT expert in partnership with the Scottish Government IT to assess what services SHR will need in the future. Ian will update the Board on this work at its next meeting.

Action Iain Muirhead to amend the risk register as agreed by the Board and consider how best transition risks can be incorporated.

Action Ian Brennan to update the Board on work with the IT expert.

Regulation Management

7. SHR's contribution to Shared Risk Assessments

Lesley Kerr updated the Board on the work the Inspection Branch has been doing with Audit Scotland on the joint scrutiny of local government.

Lesley confirmed SHR's contribution to this work has been welcomed by Audit Scotland and the councils involved. She will update the Board on progress in November and on the agreed outcomes.

The Board noted the report.

Action Lesley Kerr to update the Board on shared Risk Assessments at its meeting in November 2010.

AOB

8(a) Social Housing Charter

Iain Muirhead confirmed that development work is ongoing with Scottish Government policy colleagues. Iain confirmed the Charter has a separate legislative timetable from the Housing Bill. SHR is meeting the Scottish Government next week to look at example Charter areas. Once the

Scottish Government has introduced its Charter, SHR will need to consult on how it will measure performance against it. It expects to first report on sector performance in 2014.

8 (b) Audit

Iain Muirhead reported Internal Audit are currently on-site for two weeks.

Internal Audit had asked Michael Cameron and Alex Condie as Chair of the Audit Committee to consider the next priorities for internal audit. They agreed Iain should discuss it with the Internal Auditor. Iain met with Gordon Robinson and agreed key risks delivering the transition plan could be a priority for internal audit to consider. Gordon confirmed he can be flexible on this until SHR is clearer about transition timescales and in particular how the timing of the 2010 internal audit will fit with SHR's transition activities.

The Regulation Board agreed the transition plan should be the next priority for internal audit.

DONM

10.30 Wednesday 26 May 2010, Highlander House, Glasgow

Future dates

- Wednesday 21 July 2010
- Wednesday 10 November 2010
- Wednesday 9 February 2011