

SCOTTISH HOUSING REGULATORY BOARD

MINUTE OF THE BOARD MEETING 7 August 2018

Present

George Walker (GW)	SHR Chair (items 1 – 18)
Anne Jarvie (AJ)	SHR Deputy Chair (items 1 – 18)
Lisa Peebles (LP)	SHR Board member (items 1 – 11)
Simon Little (SL)	SHR Board member (items 1-18)
Bob Gil (BG)	SHR Board member (items 1 – 18)
Andrew Watson (AW)	SHR Board member (items 1 – 18)
Siobhan White (SW)	SHR Board member (items 1 – 18) (partially missed item 6)
Mike Dailly (MD)	SHR Board member (items 1 – 11) (partially missed item 6)
Michael Cameron (MC)	Chief Executive (items 1- 18)
Ian Brennan (IB)	Director of Regulation (Finance & Risk) (items 1 – 11)
Christine Macleod (CM)	Director of Regulation (Governance & Performance) (items 1- 17)
Iain Muirhead (IM)	Director of Strategy & Communications (items 1 – 17)
Roisin Harris (RH)	Corporate Governance Manager (items 1-17)
Susan Campbell (SC)	Head of Planning & Performance (items 12 – 13)

In attendance for items 4-8

Kevin Stewart MSP (KS)	Minister for Local Government, Housing & Planning
Anne Cook (AC)	Head of Social Housing Services, Scottish Government
Michael Boal (MB)	Social Housing Charter & Regulation Manager, Scottish Government
Mark Gibson (MG)	Assistant Private Secretary

Observing (Items 1– 17)

Janet Buchanan (JB)	Regulation Analyst (Governance & Performance)
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1. Apologies and declaration of interest

GW welcomed all present. There were no apologies

SL highlighted his conflict of interest with Fairfield and the Board noted that he would withdraw from the meeting if the Board wished to discuss engagement with the association.

MD reported that he has been appointed to the Board of the UK's new Single Financial Guidance Body.

AW declared that the finance firm QMPF that he provides consultancy services to has completed work with Kingdom Housing Association. He confirmed that he was not involved in this work or in tendering for it.

The Board noted the declarations.

2. Minutes & Matters Arising

The Board considered and approved minutes from the Board meeting on 25 May 2018, subject to a minor correction.

The Board also considered the matters arising report and agreed items for removal. It noted that many of the ongoing items are expected to be completed by the October. It asked RH to adjust the status for item 1 and to provide ARAC with a progress update in September.

Action: RH to update the matters arising report and provide a progress update to ARAC in September 2018.

3. Quarter One Corporate Performance Report

The Board considered the corporate performance report for quarter one. IB provided an update to the Board on casework with an RSL. He highlighted the complex nature of the engagement strategy and that the outcome of a current independent investigation would inform the next steps for SHR. IB confirmed this may include use of statutory powers.

The Board noted that update.

The Board agreed to return to the report following the meeting with the Minister.

4. Chair's report

The Chair welcomed the Minister and his colleagues to the Board meeting.

GW explained this was the last Board meeting that CM would attend due to retirement. The Board, Minister and Scottish Government colleagues paid tribute to CM's career in social housing and significant contribution to regulatory work. They thanked CM and wished her well in retirement.

The Chair presented an update on his key activities since the last meeting. He highlighted a recent meeting with SFHA. The Chair also updated the Board on the recruitment programme to replace LP and SL.

The Board noted the update.

5. Members' report

LP reported on the TIS conference that she attended. She also reported that she had attended the SFHA's conference and spoken at a Scottish Government *Come on Board* event to promote the forthcoming vacancies on SHR's board.

AW reported he also attended the SFHA conference. He also reported on the RTO regional network region three AGM that he attended.

SL reported he had attended the GWSF regeneration conference along with AJ.

The Board noted the key themes and feedback from all the events attended.

6. Chief Executive Report

MC presented an update on issues and developments of significance in regulated bodies, the wider housing environment and SHR. The Board agreed that it wished to discuss Kincardine Housing Cooperative and asked SW and MD to leave the room so they could participate in an appeal panel if required.

MC and CM updated the Board on SHR's work since the Board decision in May to consult with Kincardine's tenants. The Board considered the update and discussed engagement with Kincardine tenants, the service levels they are receiving and the key issues to be resolved.

The Board noted the update and that when the independent tenant advisor is appointed the advisor will engage with Kincardine's tenants. The Board also noted that it is anticipated it

will be asked to make a decision in October when the views of Kincardine's tenants will be available.

The Chair welcomed SW and MD back into the meeting.

MC updated the Board on engagement with Glasgow City Council around the provision on homelessness services. MC explained that SHR is currently reviewing GCC's second improvement plan and is also planning to meet with the City Health & Social Care Partnership Board, which has oversight responsibilities for homelessness services. MC reported that GCC has advised that it expects to be able to demonstrate improvements in quarter three. In the meantime, SHR will continue to engage with GCC and will assess if those improvements are realised early in the new year. MC also explained the engagement tools and statutory powers that are available to SHR. The Board noted the update and asked MC to provide a further update in October.

MC updated the Board on CivTech 3.0 and SHR's challenge around unlocking data to reach more people and empower tenants. He explained the sift has been completed and three parties have been identified to develop prototypes. The Board noted the update.

Action: MC to provide the Board with a further update around regulatory engagement with GCC in October 2018.

7. Regulatory Framework Review update report

MC presented an update on progress with the Regulatory Framework review. He highlighted the ongoing work to draft the consultation material for the Board workshop on 27 August 2018. He reported on the continued constructive engagement with stakeholders including the RSL sounding board and UK Finance. MC reported that SHR is developing a consultation strategy, which will include a programme of tenant events across Scotland. He also reported that discussions are ongoing with the landlord representatives to set up round table meetings. MC explained SHR's plans to maximize the use of speaking opportunities to promote the consultation and encourage participation. The Board agreed to participate in the consultation events. It also discussed the feedback around:

- regulatory status;
- internal audit and audit committees;
- the narrative that will accompany the consultation documents; and
- tenant input.

The Minister noted ongoing review work. He emphasized the importance of tenant empowerment and reaching younger people.

The Board noted the update.

8. Discussion on priorities

MC set out SHR's priorities that have emerged from the Regulatory Framework review work. He explained how these will form the core of SHR's new Corporate plan in 2019 and include good governance, financial health of RSLs, homelessness, tenant safety, affordability, equality and human rights.

MC reported on a recent behavioural insights workshop that SHR participated in. MC also reported on engagement SHR is having with the Equalities & Human Rights Commission.

The Minister noted SHR's priorities. He explained the priorities that the Scottish Government is focussed on including: homelessness, building safety, housing need beyond 2021, rent

and welfare changes and how it can use its powers. The Minister explained some of the work that is going on across departments around homelessness and also set out work the Scottish Government is doing to prepare for Brexit.

The Chair thanked the Minister and colleagues for meeting with the Board.

9. Quarter One Corporate Performance Report continued

The Board considered the report and discussed:

- staff absence, noting the increase in longer-term sickness and that it is expected to decrease. It asked MC to include trend lines in future reports; and
- intervention at Ferguslie Park, noting that a new Chief Executive has been appointed and the next intervention strategy review will be during September 2018.

The Board noted the performance report.

Action: MC to include trend information on staff absence in future performance reports.

10. ARAC update & statement of assurance

LP updated the Board on ARAC's last meeting in June 2018. She highlighted:

- Internal Audit's progress report and the substantial assurance received; and
- positive feedback from External Audit on SHR's preparation of the accounts.

The Board considered her update and discussed:

- a reported data breach by a consultant commissioned by SHR, noting actions taken;
- ARAC's discussion around transparency, noting IM will bring any proposals to the Board in October; and
- the Scottish Government's Internal Audit function, welcoming a recent meeting with LP and SW and noting that a report on Internal Audit is expected from Audit Scotland in September.

LP also highlighted the 2017/18 Statement of Assurance from ARAC to the SHR Board and accountable officer.

The Board noted LP's update and the statement. It discussed the format of the statement and if the format could be applied to proposed assurance statements. The Board noted that it will see draft guidance on assurance statements at its workshop later in August.

11. Annual report & accounts 2017/18

IM presented SHR's annual report and accounts for 2017/18 to the Board. He highlighted the development process and that design work is being done in-house for the first time this year.

The Board considered the report. It discussed final amendments required around some typos and clarification of headings and how data may be interpreted. The Board noted that MC as accountable officer is required to sign the report in its presence. It asked IM to make the changes required so that MC could sign the report incorporating the amendments under AOB.

Action: IM to organise amending the report and accounts as discussed by the Board to allow MC to sign it in the presence of the Board under AOB.

12. Quarterly risk review

IM presented the quarterly risk report. He highlighted that he will bring a new register to the Board in October with a smaller number of more strategic risks. The Board noted that in the meantime SHR is continuing to use the existing register. IM set out the changes discussed by MT and ARAC around the Housing (Amendment) (Scotland) Bill and some intensive engagement casework.

The Board considered the report and discussed:

- risk 08 noting it relates to Board appointments and that SHR has successfully deployed a variety of approaches to help mitigate this. The Board noted the approach used to form the new Kincardine Board and discussed if there is scope for the sector to develop this further; and
- if the register reflects the position with the most intensive casework, noting that the newly formed register will better reflect this.

The Board noted the update and that IM will present a revised register to it in October 2018.

13. Quarter one budget report

SC presented SHR's budget position to the end of June 2018. She highlighted the timing in relation to recruitment and the consequences for potential overspend. SC reported most costs are on track and she will re-profile the budget mid-year. She also reported that work to scope out and cost the capital projects is ongoing but not yet at a point that costs can be confirmed.

MC confirmed that the profile of capital work has been deliberately back loaded during 2018/19 and that he already flagged to Scottish Government that SHR is likely to be unable to utilise the full capital budget. GW confirmed that he had also discussed this with Scottish Government.

MC updated the Board on recruitment that is currently ongoing and planned, highlighting the role of the Scottish Government unions. SC confirmed that by mid-year the forecast will be more realistic, rather than based on the worst-case scenario.

The Board noted the update.

14. Communications planner

IM and TD presented an overview of how SHR plans communication work that supports regulatory products and engagements. They also presented a forward programme of communications products and speaking engagements.

They highlighted the internal processes for developing communication and areas that SHR is considering for mini-campaigns. The Board noted the analysis work to be completed to inform any campaigns. The Board discussed forthcoming speaking engagements. It noted that there are no thematic reports planned for publication this year, but any future ones would be built into the communication planner. IM confirmed each product has a communication plan and the target audiences are identified. He also reported that the communications strategy will be reviewed in 2019/20.

The Board thanked TD and IM, it noted the overview and welcomed that the summary forward planner would be included in future Board packs for information.

15. AOB

The Board noted the amendments made to the annual report and accounts and witnessed MC as accountable officer sign the reports and letter to External Audit.

The Board noted the agenda planner included proposals for 2019 meetings and agreed to highlight any clashes to RH so dates could be agreed in October 2018. The Board agreed it was content with the balance between strategic workshops and meetings. The Board noted that 2019 ARAC dates will be discussed in September 2018.

16. Effectiveness of meeting and papers

JB thanked the Board for the opportunity and fed back her observations.

The Board noted tweaks will be planned to streamline the signing of the annual report and accounts next year.

The Board welcomed the meeting with the Minister and his interest in homelessness in Glasgow.

17. DONM

The Board will hold a workshop on 27 August to consider the draft Regulatory Framework. It will hold a further strategy workshop on 2 October and meet on 30 October 2018.

18. Private session

The Board and the Chief Executive held a private session.