

## **SCOTTISH HOUSING REGULATOR BOARD**

### **MINUTES OF MEETING**

**Highlander House, Glasgow, 24 April 2012 at 10:00**

#### **Present:**

Kay Blair (KB)	Chair, Scottish Housing Regulator Board
Alex Condie (AC)	Scottish Housing Regulator Board member
Lisa Peebles (LP)	Scottish Housing Regulator Board member
Sid Patten (SP)	Scottish Housing Regulator Board member

#### **In attendance:**

Michael Cameron (MC)	Chief Executive
Ian Brennan (IB)	Head of Business Analysis
Lesley Kerr (LK)	Acting Head of Inspection
Iain Muirhead (IM)	Head of Policy & Corporate Services
Christine Macleod (CM)	Head of Support and Intervention
Mia Ayres Donnelly (MAD)	Corporate Services Co-ordinator (Item 21)
Christine Dugan (CD)	Business Information Manager (Item 22)
Roisin Harris (RH)	Governance & Performance Co-ordinator (Secretariat)

#### **Staff Observers**

Marion McLellan	Inspector
Janet Dickie	Regulation Manager

#### **Agenda Item**

- 1 **Chair's Welcome**  
The Chair welcomed the Board, those in attendance and two staff members observing the meeting.
- 2 **Apologies**  
Apologies were received from Simon Little (Board member) and Eileen MacDonald (Legal Advisor).
- 3 **Declaration of Interests**  
There were no declarations of interest.
- 4 **Minutes from the previous meetings**  
The Board approved minutes from its previous meeting on 20 March 2012 as an accurate record of discussions.

**Action** RH to publish minutes for 20 March 2012.

- 5 **Chair's Report**  
The Chair provided a report for information on her activities since the last full Board meeting on 20 March 2012.

KB reported the Board and EMT enjoyed a successful and effective away event on 22/23 March 2012. She requested follow up material from the facilitators is circulated to the chair and chief executive and hoped relevant information would be sent to EMT members who could not attend the away event.

KB confirmed she carried out bilateral appraisal meetings with all the Board members on 28/29 March 2012 and all associated paperwork was now complete.

KB reported she and MC attended an interesting and engaging meeting with the Easterhouse Housing and Regeneration Alliance on 20 April 2012. The Board agreed it would be interested in a tour of housing in the area.

KB reported she is hosting a Chair's lunch with LP for local authority representatives on 27 March 2012 to discuss relevant issues. LK and MC will also attend. As part of the Board's ongoing programme of engagement, she is also hosting a Chair's lunch with AC in May for RSL representatives.

Action	<ul style="list-style-type: none"><li>• MC to ensure material from the away event facilitators is circulated.</li><li>• RH to respond positively to any invitation from Easterhouse Housing Regeneration Alliance to tour the area.</li></ul>
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### **Chief Executive's Report**

The Chief Executive provided the Board with a report on his and the organisation's activities since the last Board meeting on 20 March 2012. MC highlighted the format of his report has been refreshed to reflect the new independent status of the Regulator and to ensure key areas of business are covered.

MC reported the Scottish Parliament Infrastructure and Investment Committee has invited him and KB to update it on the Regulator's work. A suitable date is being sought.

MC reported he is expecting a request from the Scottish Government to collect information on climate change requirements and he will advise the Board on the scope of this in due course. The Board also discussed the Scottish Housing Regulator's potential role in collecting information on climate change targets.

### **IT Pilot**

MC reported the pilot project board (including SL) met on 19 April 2012. MC reminded the Board of the three elements the pilot tested: the product; the provider; and the internal capacity to manage the full IT project. He reported the pilot will conclude shortly and report the outcome and its recommendations formally to the Board.

MC outlined the key conclusions and recommendations the Board can expect:

- the product is probably the right one for the Regulator, but the performance of the provider has meant that we have not been able to fully test the product's fit with our needs;
- the provider is not the most appropriate to deliver the full business intelligence system;
- as a consequence of the two previous conclusions, an external specialist project manager will be required to assist future delivery; and
- an early action once the project manager is in place will be to consider the procurement options.

MC reported he is looking at an IT delivery project currently taking place in another organisation to assess if the provider would be suitable for SHR.

He confirmed the risks and wider implications of the IT project have increased and the Board emphasised that the IT project will require tight management and oversight and regular reports back to the Board.

The Board agreed it appreciated the comprehensive work of the pilot, but was disappointed it had not delivered a solution or concluded on schedule. The Board requested a full report at its next meeting, detailing recommended next steps, timescales, the associated risks and impact on the Regulator’s work and budget and regular Board updates thereafter.

**Risk Management**

Following the Board risk workshop IM updated the Board on work with PWC to develop a risk management strategy. He advised the Executive is currently working on the material from PWC to streamline, rationalise and review the scoring. IM will bring a draft strategy and an update on current risks to the May 2012 Board meeting.

**Media**

MC advised that Inside Housing recently published a ‘comment’ article from Michael on our recently published regulation plans. Michael has also carried out an interview for the May 2012 issue of the *SFHA magazine*.

**Regulation Plans**

IB updated the Board on the response to the published regulation plans. He reported the plans were generally well accepted. IB also reported that, following the Board’s request, work is being done to the reasons for medium engagement in the 2012 plans and to look at this in the context of trends in regulation plans in previous years. This work would be reported to the Board shortly.

**Regional Network of Registered Tenant Organisations (RTOs) events**

MC reported that SHR has recently received a number of requests to attend meetings of RTO networks. We have agreed to offer to engage with each network. Board members expressed an interest in attending some of these meetings and agreed to consider future dates and availability.

**Research Commissions**

The Board noted progress with the external research commissions. It discussed the market response to tenders and the quality of work completed, noting the need for effective upfront research briefings and ongoing quality management of projects.

The Board noted the Chief Executive’s report.

Action

- MC to keep the Board updated on any requests from the Scottish Government around climate change information gathering requests.
- MC to provide the Board with a full report concluding the IT pilot and next steps at its next meeting.
- MC to send the Board copies of the Inside Housing and SFHA magazine articles.
- IB to report analyse of medium engagement regulation plans to the June Board meeting.
- LK to provide the Board with future dates for RTO events and meetings.

**Future Direction**

**Annual Operating Plan**

The Board considered the draft operating plan for 2012/13. It discussed the type of information it needs to help it measure progress, effectiveness and

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performance. The Board noted that while the current plan will be a useful tool for the Executive to monitor operational performance, it does not provide a sufficiently meaningful template to enable Members to assess and monitor performance strategically.

The Board asked the Executive to reconsider the Plan and bring it back to the Board, with an emphasis on:

- developing a more strategic reporting framework and removing operational detail;
- incorporating meaningful performance indicators that capture core regulatory activity; and
- taking an outcome-focused approach.

Action

- MC to provide the Board with a revised operating plan.

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### **Terms of reference for Audit and Risk Assurance Committee**

SP updated the Board on recent introductory meetings he had with the Regulator's internal and external auditors. He reported that the meetings were constructive and that both sets of auditors showed a willingness to consider broadening the scope and timing of their scrutiny. The Board welcomed this flexibility, while noting that scrutiny of our core regulatory functions and key audit functions should remain the priority.

SP confirmed that an induction meeting of the Audit and Risk Assurance Committee will take place on 31 May with the first formal meeting following on 18 June.

The Board considered the proposed terms of reference (ToR) for the new Audit and Risk Assurance Committee. IM noted that the proposed ToR incorporated comments from audit committee members and internal auditors, and that comments were awaited from external auditors. The chair had also submitted detailed comments for inclusion which were approved. While accepting current arrangements for a quorum, the Board expected this number to increase in a short timescale. The Board approved the ToR subject to the following amendments:

- adding a section on 'purpose' that set out clearly the Committee's role to provide assurance to the Board that appropriate risk, control and governance structures are in place;
- under 'membership', removing individuals' names, adding that at least one member should have financial experience and setting out the access arrangements for the Chair and other Board members;
- under 'meetings', setting out the format of papers, the process for setting meeting agendas and the arrangements for meetings with auditors and Head of Policy and Corporate Services; and
- setting out formal arrangements for preparing, distributing and approving Minutes.

IM to re-circulate the amended ToR to the Board, taking into account any comments received from external auditors.

The Board requested RH circulate a publication by KPMG on audit committees.

Action

- IM to re-circulate the amended ToR to the Board, taking into account any comments received from external auditors.

- RH to circulate KPMG publication on audit committees to the Board.

9 **Standing Orders**  
The Board considered proposed updates its standing orders. The Board approved the update subject to minor amendments and agreed that the Audit and Risk Assurance Committee should review the standing orders immediately before the next formal Board review in three years' time, or sooner if deemed necessary.

10 **Board Business**  
**2012/13 Agenda Planner**  
The Board considered an agenda planner for 2012/13 setting out the items it will consider at its meetings and workshops during the year. The Board discussed items it would like added:

- an opportunity to consider trends in the sector and operating environment;
- a workshop on risk based and proportionate regulation;
- regular discussions/updates on the spending review implications;
- regular Audit and Assurance Committee updates;
- regular reports on key issues for the sector particularly the high and medium engagement organisations;
- workshops focused on service users; and
- landlord governance improvement strategy.

The Board agreed members should pass requests for future agenda and workshop items to RH. The Board agreed to consider its interaction with EMT every six months instead of four.

The Board approved the 2012/13 agenda planner.

- Action
- RH to update the agenda planner.

10 **Members' reports**  
The Board noted and thanked AC for a useful report on a SFHA factoring conference he attended. No immediate actions for the SHR were considered necessary.

11 **Matters Arising**  
LP offered to meet with staff to discuss proposals for the consultation and involvement strategy.

IB reported on innovative funding discussions, and confirmed no firm proposals had been received yet. The Board requested regular updates on the potential outcomes and implications of these funding discussions.

The Board approved the matters arising report and agreed items completed or in need of revised due dates.

- Action
- IM to arrange meeting with LP to discuss the consultation and involvement strategy.
  - IB to provide the Board with regular updates on innovative funding discussion outcomes and implications.

12 **AOB**  
The staff observers reported they found the Board meeting interesting, were

impressed with the level of engagement, preparation and challenge. They welcomed the Board's outward focus.

13 **Date of next meeting**

The next meeting will be on 22 May 2012 in Thistle House, Edinburgh. The Board noted the Minister would be attending the start of this meeting.

**Lunch**

14 **Website demonstration and Intranet Update**

MAD gave the Board a demonstration of the Regulator's new website and performance information to date. The Board discussed the elements of the new website and agreed it was professional, modern, dynamic and approachable. It requested the news section is kept refreshed and the level of text on pages is kept under review. The Board agreed it would like an annual report on the website performance.

The Board received an update on the staff intranet development.

The Board thanked staff for the progress made with the website.

**Action**

- IM to provide the Board with an annual update on the website, keep the news section up to date and review the level of text on some of the pages.

15 **Scottish Social Housing Charter**

The Chair reminded the Board of its role in developing Charter indicators and the objective of ensuring meaningful, comparative information which would give tenants and other service users valuable information about their landlord.

LK and CM presented the proposed performance indicators for the Scottish Social Housing Charter; updated the Board on how these have been developing to date and on their work with the stakeholder group. The Board also looked at an example of how these could be applied.

The Board had a broad discussion about the indicators, which included: tenant requirements; value for money; the value of qualitative and quantitative information; comparison across sectors; the type of information landlords would need to collect; reducing the burden on landlords; and the Scottish Government's expectations from the Charter indicators.

LK outlined the next steps to the Board leading to the public consultation from 1 June 2012 and confirmed that the Board will receive the final consultation document at its meeting in May 2012.

The Board noted the progress to date. It asked LK to meet with SL to discuss the indicators further and examine the balance between qualitative and quantitative information. The Board asked the Executive to keep the Scottish Government informed of progress with indicator development.

The Board noted the paper and thanked staff for their work.