

SCOTTISH HOUSING REGULATOR BOARD

Board Meeting 24 February 2020

Present

George Walker (GW)	SHR Chair
Anne Jarvie (AJ)	SHR Deputy Chair
Andrew Watson (AW)	SHR Board member
Bob Gill (BG)	SHR Board member (except for the GCC update under item 3)
Helen Trouten Torres (HTT)	SHR Board member
Colin Stewart (CS)	SHR Board member (by telephone)
Ewan Fraser (EF)	SHR Board member (except for the GCC update under item 3)
Siobhan White (SW)	SHR Board member
Mike Dailly (MD)	SHR Board member

In attendance

Michael Cameron (MC)	Chief Executive
Iain Muirhead (IM)	Director of Digital & Business Support (items 1- 13)
Ian Brennan (IB)	Director of Regulation (items 1-13)
Roisin Harris (RH)	Corporate Governance Manager (items 1-13)
Robert Laley (RL)	Business Intelligence Manager (item 13)

Observing items 1 – 13

Dean Reynolds (DR)	Regulation Analyst
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1. Apologies and declarations of interest

GW welcomed all present.

EF reported that he will update his published declaration to reflect that a registerable interest with the Chief Executive of Welso had ceased due to his retirement.

SW declared that her husband's employer, Greater Glasgow & Clyde Health Board, provides funding to the Glasgow Integration Joint Board and he sometimes attended meetings. The board noted this and that she will update her published declaration to reflect the conflict.

There were no declarations of interest.

2. Consent agenda items

The Board considered the consent agenda items.

The Board agreed to note and approve the consent items including the:

- matters arising update;
- minutes from the 10 December 2019;
- Chair's report & member activity; and
- budget update to end of December 2019/20.

3. Chief Executive's report

MC presented his report on issues and developments of significance in regulated bodies, the wider housing environment, and SHR.

He highlighted SHR's budget outcome for 2020/21 and explained the challenges for SHR and that Scottish Government has confirmed there will be no uplift to cover the additional employee pension costs introduced in 2019/20. He also reported that SHR is awaiting clarification for capital funding and a business case is with the Scottish Government. MC

explained that a new business case system has been put in place for capital funding. MC reported SHR has been identified as an “area of known pressure” by the Scottish Government and additional revenue funding of up to £200,000 may be allocated to SHR if there is underspend elsewhere, but there is no certainty of this. MC explained that all the uncertainties make budget planning very challenging.

The Board considered the update and discussed:

- the unknown impact of the forthcoming UK budget;
- SHR’s budget noting around 80% relates to staff costs;
- forthcoming meetings planned with the Minister for Local Government, Housing & Planning, and the Scottish Government’s Director of Housing and Social Justice, noting the Chair already wrote to the Minister about SHR’s budget;
- areas of known pressure; and
- the impact on planned and necessary investment in IT, noting SHR would need to release revenue funding if no capital becomes available.

The Board noted the update and agreed the Chair should continue discussions at forthcoming meetings with the Minister for Local Government, Housing & Planning, and the Scottish Government’s Director of Housing and Social Justice. It welcomed that Scottish Government colleagues are aware of the pressure on SHR’s budget and the planning challenges that it faces.

The Board also considered the CEO’s other updates and discussed:

- SHR Chair’s presentation at the SFHA’s recent conference for Chairs;
- discussions with the Social Housing at the Ministry of Housing, Communities and Local Government in London;
- the medium term position around SHR’s office accommodation and planning arrangements in place.

The Board noted the Chief Executive’s report.

MC updated the Board on SHR’s inquiry into Glasgow City Council service for people who are homeless. He reported that the inquiry team is onsite gathering evidence and is expected to completed this phase in two weeks’ time. The work will then focus on considering the evidence gathered and developing findings. He advised that the team is aiming to publish a single final report by the end of April 2020.

MC confirmed the Council has not responded directly to a request from SHR to all local authorities around winter accommodation provision, but has provided SHR with the relevant information through ongoing engagement. It also noted that Glasgow City Council is the only social landlord in Scotland not to submit an annual assurance statement and it has recently reported to SHR that a draft statement has been submitted to a committee for approval. The Board noted that MC will write to the Council’s Chief Executive if there are any further delays in meeting this regulatory requirement .

The Board considered the update and discussed:

- the importance of responding to regulatory requirements, and noted that the Council’s failure to provide an Annual Assurance Statement is already published in the Council’s engagement plan;
- the engagement with other relevant stakeholders to inform SHR’s inquiry.

The Board noted the update.

4. Governance of delegated authorities

MC presented to the Board on the governance of delegated authority for regulatory decisions highlighting the framework in which decisions are taken and the assurance framework in place for SHR's Board. The Board considered the report and discussed:

- the context for the paper, noting it asked for this discussion on delegations and assurance frameworks in light of recent media coverage;
- the assurance provided by the paper, agreeing it was very helpful;
- how authority is retained or delegated from the Board to the Chief Executive and that SHR's operational scheme of delegated authorities sets out further delegation to staff;
- how SHR's approach has evolved, building on learned lessons from intervention casework, particularly in relation to appropriate checks and balances to gain assurance around decisions made;
- the role of the SPSO in complaints about SHR and the framework for considering any appeal by Board members not involved in the original decision with input from a panel member independent from SHR;
- how changes in regulatory strategy are reflected in published engagement plans and the notification that the Board has in advance of publication for serious cases; and
- how the Board demonstrates its knowledge of changes in regulatory engagement.

The Board noted the paper and associated appendices. It agreed that the current retained and delegated decisions are correct and the appeal process provides for as independent a review of decisions as possible under Housing (Scotland) Act 2010, noting provision for judicial review. It asked the Executive Team to consider further:

- if SHR should discuss and agree a position on statutory appeal arrangements;
- how it articulates the operation of appropriate checks and balances in delegated decisions; and
- how SHR Board can demonstrate the appropriateness of the assurance framework for serious casework and changes in regulatory engagement.

The Board also noted SHR's intention to develop its 'How we work' series and publish updates. It noted plans to involve its internal auditor in considering the decision making process and that ARAC will consider the outcome of this work.

Actions: Executive Team to consider if SHR needs a position on statutory appeal arrangements, how to effectively demonstrate appropriate checks and balances in delegated decisions and the effectiveness of the Board's assurance framework for this.

5. Complaints

MC presented a paper setting out SHR's current arrangement for dealing with complaints about SHR. He highlighted the new model procedures issued recently by the SPSO and that the Board will be asked to consider refreshed arrangements to reflect this during 2020/21.

MC updated the Board the information that SHR will release in response to a recent FoI request. The Board noted SHR will be considering what more it can proactively publish, including its assurance map.

The Board noted that the SPSO carried out training for SHR staff on handling challenging conversations and if the budget permitted SHR would look to re-run this for newer staff.

The Board noted the update.

6. Outline annual report format

RH presented an outline structure for SHR's 2019/20 annual report narrative. The Board consider the outline and discussed:

- the importance of demonstrating SHR's work with local authorities set out in the national scrutiny plan and on homelessness; and
- how new accessibility regulations will impact the format of report.

Action: RH to ensure coverage of SHR's work with local authorities set out in the national scrutiny plan and on homelessness in the draft report.

7. CivTech

RL presented an update for the Board on progress with the CivTech® project. He explained SHR's investment to date and the resulting phases of development work. RL reported that that, based on final review testing, the Management Team concluded that it was not sufficiently reliable to launch as an SHR product and agreed to recommend to the Board it does not invest further resources.

The Board considered the paper and discussed:

- resources invested and staff time on the project, noting that the innovation SHR was trying to achieve was not without risk and a traditional procurement route would have cost more and taken longer;
- learning for SHR staff that is being used in the development of its website;
- the challenge provided by SHR to improve access to its data and the nature of the solution offered by the suppliers involved in CivTech®, which is about innovation and accessing smaller suppliers;
- chat-bots, agreeing that they are better suited to conversation style queries rather than data such as that held by SHR;
- that the product had potential, which is why SHR invested in it, but that in the end the supplier could not overcome the fundamental difficulties;
- intellectual property rights, noting these remain with the supplier and if the product had of been a successful solution SHR would have had the un-ending right to use; and
- SHR's current comparison tool, noting work to improve access to this on SHR's website and to explore options for further development.

The Board noted the investment to date and the importance of trying to innovate. It agreed to end the CivTech® project and to not invest further resources. It asked HTT and CS to work with RL on the development of the comparison tool.

Actions: RL to involve HTT and CS at an appropriate time in the website development work on the comparison tool.

8. ARAC update and terms of reference

SW proposed the refreshed terms of reference for ARAC to the Board. She highlighted the addition of information on how to handle a meeting that is not quorate and that ARAC had agreed to not include member names as these are already published in ARAC minutes. The Board approved the refreshed terms of reference and noted these are published on SHR's website.

9. Q3 Corporate Performance Report & risk management

MC presented the Q3 corporate performance report and risk register. He highlighted some scoring errors in the risk register. The Board considered the report and register and discussed:

- Brexit, noting that the previous immediacy of a no-deal has resided, but no-deal is still possible and that Management Team would consider the implication for SHR's objective when there is more clarity;
- the resources needed to refresh that How We Work series, noting this has been postponed for consideration in 2020/21 due to capacity;
- the impact of absence levels, noting support provided by Scottish Government HR to SHR line managers;
- cases similar but not technically categorized as whistleblowing; and
- the impact of SHR's budget settlement for 2020/21 on the risk register in terms of having sufficient resources to deliver an effective Regulatory Framework, noting further planned Management Team discussion following clarification from the Scottish Government.

The Board noted the report.

10. People & Board Survey outcome

IM presented the findings from the 2019 People and Board surveys. He highlighted the overall positive results, which is particularly positive given the high number of new staff.

The Board considered the surveys and discussed:

- participation, welcoming the high level;
- the positive findings, noting some level of neutral scoring that could be a reflection of the number of new staff participating;
- results around management and leadership that place SHR in the upper quartile of all participating organisations in the UK; and
- work that SHR Board is doing around visibility with staff including a joint strategy session on 2 June 2020.

The Board welcomed and noted the 2019 People and Board survey findings.

11. Any other business

The Board noted

- the recent media coverage on Gypsy/Travellers and around seeking an apology in connection with historical practices; and
- the Board and all staff will meet for a strategy event on 2 June 2020.

12. Effectiveness of meetings and papers

The Board agreed that the papers had been very comprehensive and helpful.

DR thanked the Board and welcomed the opportunity to observe the meeting.

13. DONM

The Board will next meet on 23 March 2020.

14. Private session

The Board held a private session with the Chief Executive.

Post meeting notes

From 24 February – 22 March 2020 the Board received information by correspondence on:

- information disclosed under freedom of information;
- CIH Housing Festival and human rights;
- Coronavirus Covid-19; and
- lessons learned from the first round of assurance visits.