



Minutes of a board meeting of Castle Rock Edinvar Housing Association Limited t/as Places for People Scotland ('CRE' or the 'Association') held at 4 pm on Wednesday 8 May 2024 at 1-2 St Andrew Square, Edinburgh, EH2 2BD and via Microsoft Teams

Present: Pamela Scott (PS - Chair)
*Bryan Sherriff (BS)¹
Euan Campbell (EC)
*Heather Claridge (HC)
Kenny Fraser (KF)
*Janet Hamblin (JH)
Moira Sibbald (MS)
Katie Smart (KS - Managing Director PfPS)
*Andrew Winstanley (AW - (AW, CFO Places for People Group (PfP))

In Attendance: *Kate Alsop (KA – Group Company Secretary)
*Marion Ameresekere (MA – Deputy Group Company Secretary)
*Amy Bettany (AB – Head of Marketing Planning and Partnering)²
*Laura Hay-Heddie (LHH - Regulation Business Partner)³
*Deb Owen-Ellis Clark (DOEC – Group Customer Experience Director)⁴
Neil Ross (NR – Developments Director)
*Dan Urmston (DU - Finance Business Partner - Income)
*Kara Stickland (KSt – Director of Business Transformation)
Lesley Thomson (LT – Housing Officer, PfPS)
Ciara Toland (CT – Head of Communities Scotland)

Actions

1. APOLOGIES

1.1 There were no apologies.

2. CHAIR'S INTRODUCTION

2.1 It was noted that a quorum was present, so the meeting was declared constituted and open.

¹ Joined at 5.50pm

² Joined for 10.2 and deputised for Georgina Jacobs

³ Left the meeting at 5.30pm

⁴ Joined for 9.2

2.2 The Chair welcomed all those present in the room in addition to those dialling in from elsewhere including invitees and observers.

3. DECLARATIONS OF INTERESTS

3.1 There were no new disclosures or updates to existing disclosures of interests.

4. EXTENSIONS TO NON-EXECUTIVE DIRECTOR CONTRACTS

4.1 KA presented a paper on the proposed extensions to terms of office for; Pamela Scott (Chair), Janet Hamblin (Senior Independent Director (SID)), and Moria Sibbald (director of CRE and Chair of Places for People Scotland Limited).

4.2 Pamela Scott, Janet Hamblin, and Moira Sibbald abstained from the discussion and the decision making process. The remaining directors formed the required quorum.

4.3 It was proposed that the terms of office be extended as follows:

1. Pamela Scott – 30.09.25 (or up until the conclusion of the 2025 AGM whichever is sooner).
2. Janet Hamblin – 30.09.25.
3. Moira Sibbald – 30.09.27.

4.4 Following due consideration, the above terms of office extensions were **approved** subject to Group Board approval. KA to ensure Group Board approval is obtained. **KA**

5. MINUTES FROM PREVIOUS MEETINGS

5.1 The minutes from the meeting held on 7 February 2024 were **approved** subject to a change to 8.1.6 proposed by MS. MA to liaise with MS. **MA**

5.2 The minutes from the meeting held on 18 March 2024 were **approved**.

6. REDACTED MINUTES FOR PUBLICATION

6.1 The directors reviewed the redacted versions of the minutes.

6.2 The redacted minutes of the meeting held on 7 February were **approved** subject to the change outlined in 5.1. **MA**

6.3 The Board **approved** the redacted minutes of 18 March 2024.

7 ACTIONS ARISING FROM PREVIOUS MEETINGS

7.1 The actions from previous meetings were reviewed. Where deadlines had been reached and the relevant action taken, or otherwise covered within the papers, it was **agreed** that these items could be removed from the action list. Any open actions not noted in the minutes were carried forward.

7.2 *Ratification of emails approval of Phase 4 Chapelton*

7.2.1 The approval by email of the Phase 4, Chapelton on 25 February 2024 was **ratified**.

8 CURRENT PERFORMANCE ON THIS YEAR'S ACTIVITIES

8.1 *Damp and mould report*

8.1.1 KSt presented the damp and mould (D&M) report and commented that the D&M service delivery, and processes were being reviewed to identify improvements to detect D&M cases in a timely manner.

There were certain changes to regulation by the Scottish Housing anticipated in 2025 on D&M reporting which would need a different way of working. Initiatives to be more proactive in detection and remediation were being looked at.

KSt reported that D&M calls were being triaged to ensure that vulnerable customers were quickly identified and provided with inspections and washes simultaneously. A system with a 3 stage escalation process had been established to get to the right customer at the right time.

MS asked if D&M cases were picked up by housing officers and KSt responded that they would be when a housing inspection was conducted, and there was also the ability for customers to report issues on the Homes app. Other ways of in-house reporting of D&M issues included Do the Right Thing, Don't Walk By, and gas engineer inspections.

The Customer Condition Survey trial was launched to encourage 'silent' customers to report on the perceived condition of their home. In the first 2 weeks, 30 responses (29.4% response rate) had been received with the majority being very positive about the condition of their homes.

PS commented that the D&M metrics for Scotland were good and she asked if the repairs and maintenance budget could cover the costs, KSt said that it was hoped that better early detection measures like Home MOTs and inspections of properties prone to D&M would assist in keeping costs down as well as managing the spikes (as properties were remediated the costs would decrease).



There was a discussion on the D&M metrics. KSt outlined the measures taken to ensure a decline in D&M including centralisation of complaints. The complaints team was working hard to manage complaints and allocate them appropriately and had adopted a more holistic approach. A head of D&M had been recruited and circa. GBP120,000 had been allocated to improve systems and resourcing. After further discussion, the directors requested that a report analysing the speed of D&M case resolution with references to any potential class actions be produced for the next meeting. **KSt**

LHH reminded that a report to the SHR was due in the summer and data was being collated.

PS commented that she had more confidence that with the right resourcing and systems, good progress could be made on D&M cases [redacted], and the board agreed.

8.2 *Director's report and operational performance*

8.2.1 KS presented the Director's report providing an update on the operational performance to 31 March 2024.

8.2.2 KS commented that it had been a fairly positive quarter with some big wins from customer teams.

8.2.3 There had been a marked improvement in complaints' response times albeit there was a 78% increase in complaints from the previous quarter. Some of the increase was due to the adoption of Salesforce and centralisation and other system and process improvements. Complaints were expected to reduce as the systems and improvements became embedded. Performance would also be closely monitored to ensure a downtrend though the benefits were already being felt ; better visibility of complaints, and automation meant that complaints were reported and directed correctly .

Most stage 1 & 2 complaints were seen in repairs and maintenance, neighbourhoods, customer service, retirement living, community safety, and lettings (page 45). There was also a rise in complaints related to service charges following changes to the policy. [redacted]




8.2.4 The board discussed the results of the annual customer satisfaction survey and if the spike in complaints had negatively affected them. In response to questions raised on whether priorities identified in the report had been aligned to the customer feedback and training was being delivered to address the areas of customer concerns, KS outlined how improvements to service were identified and priorities decided as well as the training being given to customer service teams.

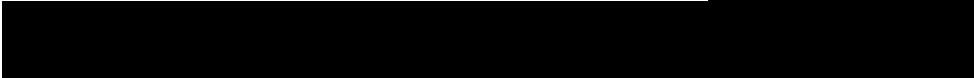
KS highlighted that the new systems and processes in place also contributed to a spike as it was easier to get through to lodge complaints and customer expectations were higher. KS anticipated the numbers to look a lot better in 6 months' time as the improvements bedded in. KF commented that on a recent visit to Birmingham he found that the service teams were struggling to get the information they needed from Salesforce, and highlighted that vulnerable customers were those most likely to suffer with delays and recommended that case management specialists would help to resolve issues in a timely manner.

The directors discussed what improvements might be required to reduce complaints and resolve them quickly. KS explained the actions being taken to improve service and complaints resolution, and advised the existing standard operation procedures were being reviewed.

8.3 *Financial performance report*

8.3.1 DU presented the financial performance for the quarter ended 31 March 2024.

DU commented that at the end of the 2024 financial year PBT stood at GBP21.8 million, GBP4.7 million above budget. Rent receivable was GBP0.3 million above budget including rent from the MMR portfolio. Service costs were GBP0.8 million below budget due to an underspend on utility costs as a result of a reduction in gas and electric prices. 

 Sales of fixed assets had generated a surplus of GBP3.2 million from the sale of 26 properties. There had also been an underspend on net interest of GBP0.2 million and dividends receivable from the MMR investment was GBP0.2 million above budget due to equalisation payments from new investors.

The board noted the quarterly investor report on the PFPC MMR1 LP (The Scottish MMR Fund) from 1 October 2023 to 31 December 2023 included in the background papers to the meeting.

8.3.2 Approval of final business and budget plan FY 24/25 and provisional budget FY26/27

DU presented the final business and budget plan for years 2024/25 (Budget 24/25) for approval. DU

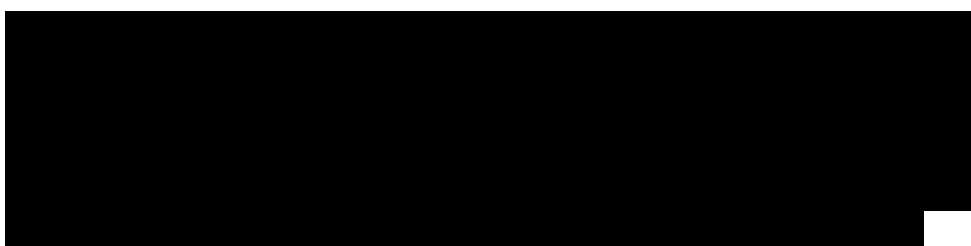
DU also requested the board to approve the business plan and budget for 2026/27 (Budget 26/27) subject to receiving Group Board approval.

DU commented that the PBT forecast at GBP21.5 million was an increase from prior year. For years 2025/26 and 2026/27 the projected PBT forecast was GBP24.3 and GBP26 million respectively. The main reason for the increase was potential rental income from properties being developed for sale over the next three years.

A significant increase in turnover was projected for 2024/25 accounting for the increase in rent of 7.7% from 1 April 2024 and further increases in years 2 & 3 as outlined in the paper (page 67).

Service charges were budgeted higher too due to a combination of high inflationary increases and additional costs on new development handovers. The cost base though remained at the prior year level due to targeted savings made mainly in management costs albeit service costs will still be high.

From a P&L perspective, Group recharges were lower due to a change in approach by Group where the overheads would be applied across the group resulting in the Group recharge being removed.



DU/KS

DU outlined certain changes since the budgets were presented in February being;

- Group recharge removed, GBP2.1 million reduction,
- Interest charges added amounted to GBP2.9 million,
- dividends of GBP0.4 million,
- changes to depreciation 7 & amortisation of GBP1 million, and
- final PBT for 2024/25 was now GBP23.8 million,

Following discussion and consideration the directors;

- **approved** the Budget 24/25, and

- **approved the Budget 26/27 subject to Group Board approval.**

8.4 *Financial projections and scenario analysis FY 24/25*

8.4.1 The directors noted the report on financial projections and scenario analysis for FY 24/25.

8.5 *Update on investment and Group financial plans (verbal update)*

8.5.1 AW provided a verbal report and commented that the Group Board was set to approve the business plan at its meeting on 22 May 2024. AW commented that there was a fine balance between investment in new and existing homes and ways to raise funds were being considered.

The recent mergers and integrations of FPR's like Rosewood would bring in a different type of investment and SDR and OHG would be fully integrated in the next two years.

9 GROUP AND SCOTLAND CUSTOMER INSIGHT

9.1 *Annual survey insight summary with Head of Communities (verbal)*

9.1.1 CT provided a verbal summary of the feedback from the annual customer survey. Customers were generally satisfied with the service they received albeit there were issues with communication which should be addressed by the implementation of Salesforce which would assist in dealing with and resolving a higher volume of cases.

HC asked how much time housing officers generally had to engage with local authorities on strategy matters, and CT explained the process of housing officer engagement with the core local authorities with whom PFPS had strong links. As well engagement with stakeholder was a key component of housing officers' core duties. KS added that a model working plan was to be introduced, a framework for an ideal working week which would include engagement with stakeholders such as local authorities.

DOEC joined the meeting

9.2 *One year on update from Group Customer Experience Director (verbal)*

9.2.1 DOEC joined the meeting and tabled a presentation titled Customer Experience Priorities.

Based on the presentation DOEC commented as follows.

- DOEC explained the link between People services and Customer Experience priorities. (Priorities).

- How the Priorities were embedded across the Group to ensure a customer effortless experience and a Customer Effort Score (CES).
- The Customer Promises had been formed with engagement with customers, colleagues and the NCG.
- A customer inclusion manager had been recruited to assist in removing stigma.
- There were 60 touch points in the CES to create and measure an effortless customer experience as outlined on page 41 with results being reported monthly.
- In the Big Colleague Survey (BCS), colleagues had been asked about effortless communication and 70% of the feedback had been positive, and with clarity and understanding whilst 20% lacked understanding or a negative interpretation of Effortless. The common threads were misinterpretation for effortless to mean laziness or lack of effort, or that it was too difficult to achieve due to complex systems and processes.
- CES would be the measure in Group and local score cards rather than NPS or CSAT as effort was perceived as a better driver of customer loyalty.
- The benefits to customers, people and business; easy for customers, and easy for people leading to an increase in customer satisfaction and loyalty and reduction in cost of service.
- On segmentation and understanding behaviours and needs and the key comparisons; conditions affecting day to day life and cognitive difficulties.

An action was raised for DOEC to circulate to the board the ARC (Customer Understanding Research) feedback slides. **DOEC**

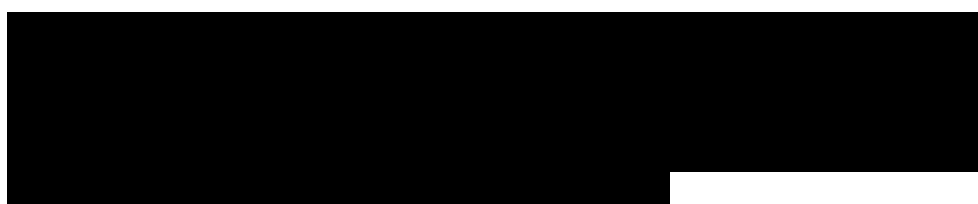
DOEC left the meeting

10 SCOTLAND STRATEGY

10.1 Sharing strategy in line with Homes Plus and Group

10.1.1 The directors noted the Homes Plus Strategic Delivery Plan included in the background meeting materials.

10.1.2 KS commented that Home Plus was on a transformative journey anticipating significant growth and financial success in implementing their ambitious 5 year strategy.



The directors in a discussion of the strategy noted that there did not seem to be much focus on customers and KS assured that it had been outlined in the SOAP (Appendix 1) and the scorecard would contain a KPI to measure customer satisfaction.

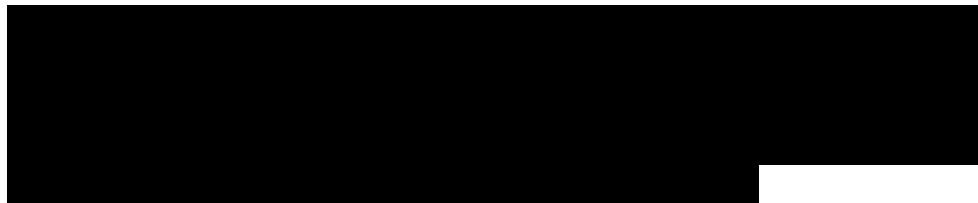
KS outlined the 5 areas of focus and commented that the strategy was for Home Plus to be a community based housing provider at scale which would help in reducing the homeless number in Scotland currently at circa. 32k registered homeless.

On a question relating to the centralised model for customer calls., and how the customer might feel about losing a more local community contact, KS commented that the customer had the opportunity to provide feedback on how every call of theirs was handled and furthermore statistics would be collected on service and response times, and improvements would be made based on customer feedback and with their best outcome in mind.

The directors asked that KPIs of customer service be provided at every meeting.

KS

KS also outlined actions being taken to increase customer satisfaction such as more FTE were being recruited , implementing a model framework of working and the new anchor roles. Additionally, the centralised customer contact centre was expected to make it easier to service customers.



The directors discussed the merits of the Home Plus strategy and how it could both benefit customers and the Group including the risks and recommended that viable strategic alliances were sought if possible.

AB joined the meeting

10.2 *Communications strategy (presentation)*

10.2.1 The directors noted the Communications strategy presentation included in the background materials to the meeting.

10.2.2 AB introduced herself and presented the communications plan for Scotland.

AB commented on the key initiatives based on the presentation included in the background materials to the meeting. She outlined the vision, purpose, and actions to achieve them.

A question was asked on what was being done in Scotland to make it easier for customers to engage with the group and AB responded that all touchpoints were reviewed to ensure that there was a link with every customer segmentation and commented that sending letters have been found to have negative effects as a lot of customers were more likely to ignore them, an effortless communication initiative was launched to combat this and to make communication easier with quicker resolution times.

AB commented on the Tenant Satisfaction Measure (TSM) results. On Brand, AB advised that there would be a follow up session in the near future and social channels would be used to increase engagement. The strategy was in the discovery stage at the moment and an action was raised to provide a report on the Scotland specific communication strategy to a future meeting,

AB/KS

11.1 *Standing items report*

11.1.1 The directors noted the contents of the standing items report.

12 **GOVERNANCE**

12.1 *Self-assessment against regulatory standards pertaining to the SHR and OSCR*

12.1.1 A number of queries were raised by MS and these would be addressed at the end of this meeting.

**MA/
LHH**

12.2 *Self-assessment against the provisions of the UK Corporate Governance Code (UKCGC)*

12.2.1 Certain queries were raised by MS including statements relating to the SID and these would be addressed at the end of meeting.

KA

12.2.2 The directors noted that the membership of the Audit and Risk Committee (ARC) would be reviewed at the ARC meeting on 13 May 2024 in order to better align it with the provisions of the UKCGC and ensure the chairs of the boards are not members of the committee. To obtain approval for any changes via email.

MA

12.3 *Annual report on employment of relatives of employees*

12.3.1 The directors noted the employment of relatives of colleagues during the period 2023/24.

12.4 *Housing to employees or relative of employees*

12.4.1 The directors noted that 3 individuals with links to the company had been provided with housing during the financial year ended 31 March 2024.

12.5 *Adoption of the Modern Slavery statement*

12.5.1 Following review of the Modern Slavery Statement, the directors **approved** it subject to the Group Board's approval and adoption without any material changes and delegated authority to the Managing Director of the company to sign it on behalf of the board.

12.6 *Authorised signatories review*

12.6.1 The directors requested that the authorised signatory list be re-presented for approval with upper limits for Level 5. **KS**

12.7 *Feedback from board and committee evaluations*

12.7.1 The directors noted the feedback from the recent effectiveness evaluations of the board of CRE and the ARC, and that they both operated effectively during the year.

The directors noted the potential recommendations based on the survey themes and feedback.

13 ANY OTHER BUSINESS

13.1 *Board visits plan and date – 11 June 2024*

13.1.1 The board visits were planned for 11 June 2024.

13.1.2 There was no other business.

14 DATE(S) OF NEXT MEETING(S) AND PLAN OF WORK

14.1 20 August 2024 – (scheduled board meeting)

14.2 *Plan of work for next meeting*

14.2.1 The directors noted the plan of work for the meeting on 20 August 2024.