


Meeting	Development Sustainability and Strategic Investment Sub-Committee	 Shropshire Towns and Rural Housing
Date	6th September 2023	
Time	14:00-16:00	
Location	MS Teams	

Present:	
James Wood (JW)	Chair of Committee
Harpreet Rayet (HR)	Managing Director - STAR
Tom Forty (TF)	Operations Director - STAR
Ros Bridges (RB)	Corporate Director - STAR
Steve Robinson (SR)	STAR Board
Paul Weston (PW)	STAR Board
Kayleigh Hepburn (KH)	Cornovii Developments
Helen Williams (HW)	Assets Manager - STAR
Tokev Yordan (TY)	Board Member
Lindsey Trueman (LT)	External,
Dan Winsor (DW)	External,
Debbie Gauntlett (DG)	Independent Minute Taker

Minute No.		Who	When
1.	<p>Welcome and Apologies</p> <p>The Chair opened the meeting, and introductions were made.</p> <p>No Apologies received.</p> <p>HR reported that J.Donoghue had left the organisation. The Committee thanked him for his involvement and contribution during the last ten years of service.</p>		
2.	<p>The minutes of the Previous Meeting held on 7th June 2023 were approved.</p> <p>Matters Arising</p> <p>Item 2: Development Appraisal Committee Papers. HR reported that committee members should have received a copy. Confirmation was given that the new agreement appraisal parameter papers were agreed at the FAR Committee meeting held in July 2023. FAR requested that the parameters be benchmarked against actual performance as part of the subsequent financial year monitoring. Action: Members are to contact HR for a copy if not received.</p> <p>Item 3: Development and Strategic Investment and Sustainability Report.</p> <ul style="list-style-type: none"> Gobowen Scheme Review is due to be presented in early October. Presentation from HW today regarding the outcome of the Turner and Townsend Social Housing Accelerator Project. 	<p>All</p> <p>HW</p> <p>HW</p>	<p>Oct 2023</p> <p>6 Sept 2023</p>

3.	<p>Sustainability Update</p> <p>National Application Commission Projects</p> <p>HR reminded Committee members at the last meeting it had been reported that the Council had put forward commissioning priorities. It was reported that more recently, they had put forward several projects which likely sit within the strategic investment definition rather than traditional development. After working with the LA, it was believed that some were worth moving forward. Carlton Hill House is one focus and is currently being submitted for planning, with a termination date of mid-October. It was noted that the STAR team is only focused on the technical aspect of this concerning the planning application. DW confirmed the due diligence process was well underway.</p> <p>HR updated on other projects, including the Weston Court application. There were some serious concerns regarding foundations, and due diligence was in progress.</p> <p>Updates on shared ownership Sales. LT provided an update on the number of units for sale and the share ownership sales before the end of January 2024, including what was being put into place to help move that forward.</p> <p>Social Housing Retrofit Accelerated Projects.</p> <p>HW provided an overview of additional work that had been completed. This included small sections of guttering, Solar PV and batteries to ensure that the property still receives an EPC (band C). This was successfully rolled out to the other 25 properties. A report will be produced showing this as a 'success story' outlining the benefits to the customers in terms of comfort and heating bills.</p> <p>Loft Insulations programme has been agreed under energy efficient improvement works.</p> <p>Turner and Townsend Retrofit Accelerate project. HW provided a presentation for information. Highlights included:</p> <ul style="list-style-type: none"> • Background, Aims and Objectives against the UK government setting a challenging goal of net zero by 200. The housing sector will need to eliminate virtually all emissions from existing homes through the retrofit of energy efficiency measures. • Outcome. The Retrofit Strategy Report supports STAR Housing's journey in delivering retrofit works and aims to support the development of an overall strategy. • Next Steps. Refine an overall strategy for retrofit within the business, identify the most appropriate delivery model, increase business engagement, and develop a fully scoped operating procedure. <p>HR described the project as a clear implementation programme.</p>		
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	<p>AQ confirmed he was ‘making his way through the list of properties’ and working on recommendations to move properties from Band D to improve to Band C.</p> <p>The Chair requested feedback regarding the numbers presented in item 8 and asked how management felt about the forecasts. HP acknowledged the work that TF had been working on in the background and said he felt confident because it was externally validated.</p>		
4.	<p>70 Castle Foregate</p> <p>The Chair invited HR to provide background information. HR described 70 Castle Foregate as a homeless shelter used by the Council and leased by the Housing Plus Group for over ten years. In December last year, the Housing Plus Group decided to sell the property by the end of March. The decision was made to purchase the building using HRA funds. STAR Housing manages the HRA budget as part of the management agreements.</p> <p>The Council would now like STAR Housing to undertake works/management of the building related to asset management, refurbish it, and get it managed under the management agreement.</p> <p>HR said from a business perspective that there was a lot of learning from this and did not think anything similar would happen again.</p> <p>HR advised it had been agreed within the delegate authority framework that anything that requires an HRA reserve subsidy in the future should go to the full Board for recommendation.</p> <p>DW discussed the costs and reported that STAR has appointed a Contract Administrator on the project to produce a full and final specification. Discussions had included that the building would need to be HMO compliant, and should this be the case, this would require further reconfiguration work, which could impact the costs. DW confirmed a meeting to discuss further had been scheduled for next week.</p> <p>SR queried whether there would be a position where the building was unviable. HR explained it was already unviable and would require significant reserves plus a yearly subsidy. Further clarification was being sought from the Council.</p> <p>The Chair described it as a ‘perfect storm of unfortunate events’. He asked if HR was confident that lessons had been learned, and HR believed they had. HR reassured that no cash would be released unless it has been agreed through the appropriate approval process and approved by the Board. He thought the Council did understand this.</p> <p>The Chair acknowledged the difficulty but understood the reasoning and the position.</p>		

	HR recommended approval from the DSSI Committee to take the opportunity at Castle Foregate to the STAR Board for formal approval. The Committee agreed .		
5.	<p>Development Capital Financing Update</p> <p>HR talked through the development of the 30-year business plan and development. As part of the process, the team would work on a fully costed development and strategic investment plan to ensure the Committee understands capital expenditure and forecast benefits to use as a basis for future investment decisions. RB added that it would help understand the long-term view and decision-making.</p> <p>No questions were raised, and HR described it as an ‘evolving picture which will continually develop over the coming months and help strategic reporting at committee level’.</p>		
6.	<p>Development and Strategic Investment Delegated Authority Framework</p> <p>Paperwork had been circulated and HR provided background information as presented.</p> <p>HR proposed the Committee approves the proposed delegated framework for STAR new development and strategic investment activity. The Committee approved the recommendation for Board approval.</p>	HR for Board approval	18 Sept 2023
7.	<p>STAR Housing and CDL Agency Agreement</p> <p>The paper presented was taken as read and TF provided a summary regarding the formalisation of relationship between CDL and the agency, and how they will coordinate and manage development activity in the future.</p> <p>The importance of time allocation and reporting activity was highlighted.</p> <p>TF said that working with CDL to develop the agency agreement and manage the conflict of interest. Meetings were taking place regarding approval and TF advised a report would be brought back to the Committee in February 2024 with an update.</p>	TF/HR	February 2023
8.	<p>Any Other Business</p> <p>The Chair thanked the Committee for the detailed reports and with no further items for discussion, the meeting closed at 3.25 pm.</p>		
9.	<p>Date of Next Meeting: Wednesday 15th November 2023 (virtual) 2pm – 4pm.</p>		