

**Meeting** Shropshire Towns & Rural Housing Limited Board Meeting

**Date** 4 December 2023

**Time** 13:00-17:30

**Location** Board Room – Mount McKinley



<b>Members Present:</b>	
Tony Deakin (TDk)	STAR Board Chair, Independent
Julia Buckley (JB)	Shropshire Council
Paul Hayward (PH)	Co-opted STAR Board Member
Lucy Heath (LH)	Shropshire Council
Vince Hunt (VH)	Shropshire Council Supervisory Board
Emma Jones (EJ)	Staff Board Member
Eleanor Rayers (ER)	Tenant STAR Board Member
Steve Robinson (SR)	Independent STAR Board Member
Yordan Tolev (YT)	Tenant STAR Board Member
Jane Trethewey (JT)	Shropshire Council
Paul Weston (PW)	Co-opted STAR Board member
James Woods (JW)	STAR Board Member
<b>Non-Members Present:</b>	
Harpreet Rayet (HRa)	Managing Director
Tom Forty (TF)	Operations Director
Ros Bridges (RB)	Corporate Director
Rosanna Davenport (RD)	Governance Manager, STAR
Charlotte Burrows (CB)	STAR PA
James Priestwick	Observer, CIH
	HRA Inspectors observing
Helen Zatte (HZ)	Agenda Items 7 & 8

Leela Cottey (LC)	Agenda Item 9
Debbie Gauntlett (DG)	Minute Taker

Minute Number			Agreed Action
1.	Welcome & Apologies	<p>The Chair welcomed attendees, including James Prestwich (CIH) who had been invited to present to the Board before the official board meeting matters.</p> <p>HRA Inspectors Emma, Amy and Sam (re Pilot Audit) joined online to observe the meeting.</p> <p>No apologies received.</p>	
2.	Declarations of Interest	There were no new Declarations of Interest received.	
3.	Minutes of the previous meeting	<p>The minutes from the previous meeting dated 18 September 2023 were <b>reviewed</b>.</p> <p>A typing error was highlighted under previous matters arising (page 2, section 4). The office move should read 2 October 2023, not 2022.</p> <p>The minutes were <b>approved</b>.</p> <p><b>Agreed Action:</b></p> <ul style="list-style-type: none"> <li>● <b>Typing error highlighted in Minutes 18 September 2023 to be amended.</b></li> </ul>	RD
4.	Matters Arising	<p>HR updated on the following matters arising from previous Board meetings:</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>HR reported that he had reviewed the actions with RD and confirmed that many previous actions had now closed.</b></li> <li>● <b>Board Strategy Presentation. An updated Corporate Plan in draft for 2024/2027. A working group will be set up and Board members will be invited to attend these sessions scheduled for</b></li> </ul>	<p>Complete</p> <p>HR – Dec</p>

		<p><b>January – March 2024.</b></p> <ul style="list-style-type: none"> <li>● <b>Risk Register. Risk away day to be completed by April 2024. Risk Register to be a standard agenda item.</b></li> <li>● <b>Staff conference. Dates to be arranged once the new corporate business plan has been developed (April 2024). Staff briefings continue on a quarterly basis.</b></li> <li>● <b>Any other matters arising to be discussed during today’s agenda.</b></li> </ul>	<p>Complete</p> <p>HZ - April</p>
5.	MD Update	<p>Presentation: Harpreet Rayet.</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to update the STAR Housing Board members on company activities.</p> <p>HR welcomed the regulators in attendance regarding the RSH Pilot and looked forward to welcoming them on site on 12<sup>th</sup> and 13<sup>th</sup> December 2023. HR reminded the Board that the RSH pilot will focus on two key areas; transparency, influence and accountability, and service outcome.</p> <p>HR invited questions from the Board.</p>	

		<p><b>Q: Can an Impact Assessment be included in future papers to enable the Board to understand the implications for services (reference to the Council savings).</b> HR/JT agreed to include this in future board papers.</p> <p><b>Q: When will the draft Governance Review be issued by Anthony Collins Solicitor (ACS)?</b> It was confirmed that this would not be finalised until after the completion of the RSH pilot. However a draft will be issued by the end of December 2023</p> <p><b>Q: Do you think the LHA increase with benefit STAR in the medium term from re-lets?</b> HR responded that any homes secured through Section 106 will see an increase and will enable a realignment. In summary, HR confirmed there will be a financial benefit but this is unlikely to benefit the HRA financially during 2024/25 due to the timescales associated with the rent setting process.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>Impact Assessment to be included in future board papers.</b></li> <li>● <b>Governance Review paper to be circulated in December 2023.</b></li> <li>● <b>Confirmation of the LHA cap once available in Shropshire</b></li> </ul>	<p>JT</p> <p>JT</p> <p>JT JT HR</p>
6	Council Update	<p><b>Presentation: Jane Tretheway</b></p> <p>A report had been circulated in advance and taken as read. JT summarised as follows:</p> <ul style="list-style-type: none"> <li>● Shropshire Council Finances and Saving Programme. Financial targets associated with the Council's General Fund and will be looking at STAR to support the Council within its areas and activities. The Council will work collaboratively with STAR colleagues to ensure value for money for the HRA (Housing Revenue Account).</li> </ul> <p>Activities.</p> <ul style="list-style-type: none"> <li>● Housing Regulator Activity. No breach of standards to report.</li> <li>● Regular reporting to continue regarding any breaches/concerns.</li> <li>● Pilot inspection. Currently underway.</li> <li>● MD's role. Current arrangements being reviewed. Following broad support from Board members, confirmation was given that the Honorarium payment would be extended to the end of the financial year.</li> <li>● Strategic Partnership. Confirmation that the Council has signed a Memorandum of Partnership</li> </ul>	

		<p>with other local authorities (Monmouthshire, Herefordshire and Powys) to work collectively. There may be future options to share services e.g. housing management services. This could also benefit STAR Housing in the future and updates will be given regarding any opportunities.</p> <p>JT invited questions from the Board.</p> <p><b>Q: In reference to other local councils experiencing regulatory challenges relating to HRA monies being spent on General Fund activities – are you satisfied this is not the case for Shropshire Council?</b> JT responded that she was ‘absolutely satisfied and confident’ there would be no challenge to HRA expenditure and activities.</p> <p><b>Q: In reference to the SUSTAIN contract and dialogue with other housing providers - have RP’s withdrawn?</b> JT advised that conversations were ongoing with STAR Housing and RP partners and earlier this year the Local Authority had issued commission priorities to all RP’s specifying what the council would like to see in terms of provision.</p> <p><b>Q: Can we be assured as a Board that we have learned lessons from other Councils regarding any financial challenges and impact on the HRA?</b> HR referred to a news article published this week and the potential position of a difficult financial period. HR reported if any Section 114 notice was issued, STAR’s partnership with the Council would be examined . This is on the Risk Register. The Chair recommended the Savills’ review is brought back to the board as a reminder of the HRA ring fence when considering and reviewing STARs' activities. <b>Action. HR</b></p> <p>JB, as local Councilor and leader of the Labour Group reassured the Board that Section 114 was ‘absolutely not on the table’ and that there was cross-party support for this.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>Savill's Review paper regarding the HRA to be on the next agenda for review and consideration</b></li> <li>●</li> </ul>	<p>HR HR</p>
7.	Performance Update	<p>Performance Update Presentation: Helen Zatte joined the meeting at 14:33pm</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to update the Board members on STAR’s current performance against its Management Agreement performance indicators.</p>	

		<p>HZ invited questions from the Board.</p> <p><b>Q: The report highlights that rent collection arrears figures are doing really well. Can you produce a profile report for each quarter moving forward?.</b> TF agreed; confirming this was being monitored on a weekly basis and variances could be presented at a future meeting. HR reported that there was historical data and quarterly target figures available, and these could be circulated to the Board after the meeting for information. <b>Action.</b></p> <p>The Chair noted that the methodology should be in line with what should be reported externally. TF advised RB was picking this up to ensure the metrics were really clear.</p> <p><b>VOIDS Performance Q: Can lessons learned be transferred to other areas of the business?</b> TF explained that weekly monitoring was taking place which had not happened historically. Repairs and Maintenance contractors are now more supported. Confirmation that a VOIDS Asset Manager has just been recruited which will ensure STAR Housing is in a more positive position compared to six months ago. It was also noted that there was a high number of resident deaths contributing to the VOIDS profile (35%). This data will be benchmarked and analysed to understand the impact.</p> <p>TF reported that the number of complaints received is showing the right trend. HR highlighted that whilst clearing up the backlog, the figures would not be where he would want them to be. It was hoped that the detrimental impact of the voids backlog data on relet performance would be over by the start of the next financial year. TF recommended presenting an updated data report at the next Board meeting. <b>Action.</b></p> <p>ER highlighted that communication with residents is key and suggested adding items (i.e. Carpets) into the tenancy agreement where tenants need certain items due to the expense. Discussion took place regarding potential solutions for improving the condition of rental properties, including staggering repairs and involving residents in the decision-making process. HR advised that STAR Housing does not operate a Safety First Policy and said this could be considered for the future when VOIDS are at a more manageable level.</p> <p>The Chair said the Board recognised the need for improvement regarding complaints to ensure improvements within the timescale and recommended the Customer Services Committee discusses further in more detail. <b>Action.</b></p>	<p>RB</p> <p>HZ/MA</p> <p>TF/HZ</p>
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		<p>HR highlighted the appendices included in the board pack confirming that the management team recognises the data and the gaps to ensure residents are satisfied with the repairs.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>Rent Collection Arrears figures to be circulated to all after the meeting with an updated cashflow by December 2023</b></li> <li>● <b>Customer complaints. Updated data report to be presented at the next Board meeting on changes to the approach</b></li> <li>● <b>Customer Services Committee to discuss complaints in more detail at the next meeting.</b></li> </ul> <p><i>ER left the meeting at 3.00 pm.</i></p>	<p>RB</p> <p>HZ/MA</p> <p>TF/HZ</p>
8.	<p>Tenant Satisfaction Measures Outcome</p>	<p>Presentation: Helen Zatte</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to update Board members on STAR's Tenant Satisfaction Measures performance based on the recently completed Acuity Resident survey. The Board were asked to note the contents of the report.</p> <p>PH acknowledged the positive report and referenced the annual survey. PH recommended these take place quarterly to ensure the great results stay on track. HR agreed that 12 months did feel like a long time and suggested a bi-annual review (next one due Spring 2024). <b>Action.</b></p> <p>PH highlighted the results in the Ombudsman feedback and asked if these were being followed up? HZ confirmed that yes there were a number of residents that had agreed for STAR Housing to contact them to discuss. HR recommended returning to the Board with a proposition paper for handling complaints and processes. <b>Action.</b></p> <p>Discussions emphasized the importance of providing timely and relevant information to tenants, citing a lack of communication as a major issue in the past. The need for proactive measures to address issues before they escalate to formal complaints was recommended as a successful strategy. HR/TF agreed highlighting the importance of analysing multiple metrics to gain a comprehensive understanding of the issue, rather than relying on a single metric. It was suggested that while the number of complaints is relatively low, the satisfaction level among residents would be important to consider.</p> <p>It was <b>agreed</b> that a paper regarding trends and what had the board learned would be presented at</p>	<p>HZ</p> <p>HZ</p> <p>HZ/RB</p>

		<p>the next Board meeting. Action.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● Annual survey to be changed from annually to bi-annual. Next review date due Spring 2024.</li> <li>● Update on customer out reach work following the completion of the survey</li> <li>● A report on the follow up actions will be issued to the board during the March Board meeting</li> </ul> <p><i>HZ left the meeting at 15:15 pm.</i></p>	<p>HZ HZ HZ/RB</p>
9.	Compliance Update and Operational Update	<p>Presentation: Leela Cottey joined at 15:15 pm</p> <p>A draft report for the STAR Housing and Council AAB (appendix A) had been circulated in advance and taken as read. The purpose of the report was to update the STAR Board on STAR’s compliance performance across several key statutory areas to the end of October 2023. The Board were asked to note the current performance around safety and compliance.</p> <p>LC provided a summary of highlights.</p> <ul style="list-style-type: none"> <li>● Financial Risk. Surveys in place that could identify works beyond the budget available.</li> <li>● Key risks. Operational risks are being managed by the compliance team and are regularly reviewed. Specific risks relating to a lack of fire compartmentation at Sheldon Court and Greenfields Court are being mitigated via an SFRS approved management plan which is working well.</li> <li>● Current status of performance compliance reported as 100% (tenant satisfaction measure).</li> <li>● Compliance Improvement Plan. A significant amount of intensive work had been completed to ensure data is being managed effectively.</li> </ul> <p>TF added that the metrics reported had also been validated by the external compliance consultant presented as part of the audit work that had been completed previously. A positive improvement was evident however this would continue to be closely monitored.</p> <p>The Chair highlighted the importance of monitoring gas safety checks closely and asked for assurance on tenant welfare to ensure processes are in place. TF agreed that more information could be provided in a future paper regarding the capped gas and also to include a breakdown in data on damp and mold follow ups and action taken. <b>Action.</b></p>	





		<p>The Chair of the FAR Committee confirmed that the committee supports the highlighting and reporting of budget pressures. The Board members acknowledged the Risk Register updates.</p> <p><i>LC left the meeting at 15:43 pm.</i></p>	
11.	Q2 Finance Update	<p>Presentation: RB/RK</p> <p>A report had been circulated in advance and taken as read. The purpose of this report was to update STAR Board on the financial position and ongoing process to achieve an improved financial function for STAR.</p> <p>RB summarised the report and a request was put forward to the STAR Board to approve changes to the proposed finance structure with an additional cost of £27,000.</p> <p>The Board noted the current financial position and no further questions were asked.</p> <p>The Chair questioned the pensions data and requested that further clarity (and processes) regarding the HR pension liability is returned back to the board for further discussion. <b>Action.</b></p> <p>Finance Team. No further questions.</p> <p>The Board <b>approved</b> the changes to the proposed financial structure and additional cost of £27,000.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Pensions data/HR pension liability to be discussed once additional actuarial advice is taken. Summer 2024</b></li> </ul>	<p>RB</p> <p>RB</p>
12.	Finance Forward Planning	<p>Presentation: RB/RL</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to update the Board on the HRA 30-Year Business Planning Project, STAR Housing's business planning process, and the 2024/25 budgeting process for both the HRA and STAR.</p> <p>RB reported that the team were working with Abovo and the first draft of the Business Plan was expected by the end of the week. Once received, this would be shared with the Board. <b>Action.</b></p>	<p>RB/RK</p>

		<p>Budget setting 2024/25. Budget packs had been circulated to all budget holders and an overall position was expected by the end of the year.</p> <p>The Chair queried the support from Abovo and the requirement for stress testing. <b>HR agreed to action.</b> Historically the Bank of England stress testing model had been used but HR did not think this was adequate.</p> <p><b>Q: There feels like there is a lot of risk to cover in a short period of time. Is this deliverable?</b> RB agreed but did feel it was deliverable and in a manageable position. The Board requested that they be advised of any delays. HR agreed. <b>Action.</b></p> <p>The Board <b>agreed</b> to approve the key principles, assumptions and approach to the 2024/25 budget setting.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Board members to be updated as appropriate regarding deliverables.</b></li> <li>• <b>A copy of the business plan will be presented to the board in January 2024 in a business planning special session</b></li> </ul>	<p>RB</p> <p>RB RB/RK</p>
13.	Appointment of Auditors	<p>Presentation: RB/RK</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to present the outcomes of the independent external audit tender exercise for the audit of STAR's financial statements for the years covering April 2023 to March 2026 and to recommend an auditor for appointment.</p> <p>RB provided a brief overview of the tender process as presented.</p> <p>The Board <b>approved</b> the appointment of Grant Thornton LLP as External Auditors for the years covering April 2023 to March 2026 with an option to extend for a further two years.</p>	

		<i>A 15-minute break was taken at 4.00 pm.</i>	
14.	Sub Committee – Finance, Audit and Risk (FAR)	<p>Presentation: RB/SR</p> <p>SR summarised the discussions of the last FAR meeting held on 9 November 2023 (a copy of the draft minutes had been circulated for information). This included:</p> <ul style="list-style-type: none"> <li>• A deep dive into the Strategic Risk Register</li> <li>• Discussions had taken place regarding the Performance report, Capital monitoring, a finance update, and the Business Plan update.</li> <li>• Issues relating to the DLO.</li> </ul> <p>SR reported that the Committee is aware of the financial challenges and the minutes include a number of action points moving forward.</p> <p>No questions were raised.</p>	
15.	Sub Committee – Development, Sustainability & Strategic Investment	<p>Presentation: HR/JW</p> <p>JW summarised the discussions of the last Development Sustainability and Strategic Investment Committee held on 15 November 2023 (a copy of the draft minutes had been circulated for information).</p> <p>JW reported that the sub-committee had focused on the risks to the Development Programme and were satisfied as an organisation that the developments were near to completion. JW said that the team had navigated well by being proactive and more difficult discussions were taking place within a timeframe that suited the organisation.</p> <p>An update was given regarding customers at Fairfield Close and JW reported that ‘everything is where it should be’.</p> <p>HR talked through borrowing £6m of HRA reserves explaining how the funding regime had changed. HR said that this would feed into both the Business Plan and Strategic Investment Plan, however, he would not wish to make a further commitment until he fully understood the financial position in relation to the HRA.</p>	

		<p><b>Parish Rooms.</b> The Chair expressed frustration with the slow pace of negotiations and the impact on the project’s timeline and costs. The Chair queried whether the process had been the correct one for this scheme or whether there should have been an earlier intervention. JW reassured the Board that he had discussed the situation extensively with HR. JW said he also found the situation to be ‘unpalatable’. SR was critical of the approach taken by the Housing Association which owned the property.</p> <p>HR provide an updated and JT acknowledged the discussions with Clarion had been difficult but locally they had been welcomed by residents. JT agreed the situation had been frustrating and reported that the local council had pushed Clarion as much as they could. It was confirmed that HR/LH and JT would be having further discussions regarding future acquisitions.</p>	
16.	Sub Committee – Customer Service	<p>Presentation: TF/JB</p> <p>TF advised that the last Customer Service Committee had unfortunately been postponed. PH agreed to be a member of the sub-committee.</p> <p>Confirmation was given that adverts had been placed for two ex-officio members.</p> <p><b>Agreed Action:</b></p> <ul style="list-style-type: none"> <li>● <b>Next meeting date to be arranged and communicated to members.</b></li> </ul>	TF/RD
17.	Ombudsman Complainants Code	<p>Presentation: RB</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to update the Board on STAR’s current complaints handling performance, provide a progress update on STAR and Shropshire Council’s joint response to the Housing Ombudsman Complaints Handling Code and request approval of STAR’s annual self-assessment.</p> <p>RB summarised the report's response and referred to the Current code (attached) for Board approval.</p> <p>PH sought reassurance that the Board understands the complaints and what action should be taken by the Board.</p>	

		<p>The Board <b>approved</b> the Complaint Handling Code Annual Self-Assessment.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>Board members to be updated as appropriate.</b></li> </ul>	RB
18.	HR Policy Update	<p>Presentation: HR</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to request that the Board delegates the approval of all STAR HR policies to the HR Remuneration Committee.</p> <p>The Board <b>agreed</b> the delegation.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>Review of 31 HR Policies.</b></li> <li>● <b>The reformatting of all policies.</b></li> <li>● <b>Amendments to all acronym's across all policies.</b></li> <li>● <b>Policy updates to be inline with ACAS legislation.</b></li> <li>● <b>Retirement or merge existing policies as required.</b></li> <li>● <b>Updates to reflect the new management team posts.</b></li> <li>● <b>Updates to reflect the new working practices at STAR.</b></li> </ul>	
19.	Repairs and Maintenance Update	<p>Presentation: TF</p> <p>A report had been circulated in advance and taken as read. The purpose of the report was to update the STAR Housing Board members on the Direct Labour Organisation (DLO) review and proposed action plan.</p> <p>TF summarised the paper as presented. No questions were raised.</p> <p>The Chair thanked TF for the report.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>Update to be returned to the Board in March 2024.</b></li> </ul>	TF
19.	Any Other Business	<p><b>Final accounts.</b> RB advised these had not yet been received.</p> <p><b>Dates for next year.</b> RD reported these had been emailed to members. <b>Action: RD to resend dates to</b></p>	

		<p><b>YT.</b></p> <p>There were no questions asked by the regulators.</p> <p>With no further items for discussion, the Chair thanked everyone for attending. The meeting closed at 17:30 pm.</p> <p><b>Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>● <b>RD to resend YT future Board dates.</b></li> </ul>	RD
		<p align="center"><b>Dates of Next Meetings at STAR Offices, Mt McKinley, 1.00 pm – 5.00 pm</b></p> <p align="center">Monday 11 March 2024  Monday 24 June 2024  Monday 16 September 2024  Monday 9 December 2024</p>	

