

<b>Meeting</b>	<b>FAR Meeting</b>
<b>Date</b>	<b>Thursday 5 September 2024</b>
<b>Time</b>	<b>09:30 – 11:30am</b>
<b>Location</b>	<b>Teams</b>



<b>Core Members:</b>	
Steve Robinson (SR)	Board Member and Chair
Tony Deakin (TD)	Board Member
Ros Jones (RJ)	Corporate Director
Paul Hayward (PH)	Co-optee Board Member
Tom Forty (TF)	Operations Director
Denise Jones (DJ)	Head of Finance
Jenny Daisley (JD)	Client Officer (Shropshire Council)
Harpreet Rayet (HR)	Managing Director
Barry Hanson (BH)	Audit Team (Shropshire Council)
Kelly Jean Dytor (KJD)	Personal Assistant & Minute Taker
Kath Vose (KV)	Audit Team (Shropshire Council)
<b>Presenters:</b>	
Nicholas Burton (NB)	Grant Thornton
James McLaron (JM)	Grant Thornton
Rosanna Davenport (RD)	Governance Manager
<b>Apologies:</b>	

Item No.		Who	When
<b><u>1.</u></b>	<b><u>Apologies</u></b>		
	None		
<b><u>2.</u></b>	<b><u>Declarations of Interest</u></b>		
	No declarations of interest were declared.		
<b><u>3.</u></b>	<b><u>Minutes of Last Meeting &amp; Matters Arising Yes</u></b>		
<b>3.1</b>	Complete		
<b>3.2</b>	Complete		
<b>3.3</b>	Discussions with the Council about temporary accommodation strategy. <ul style="list-style-type: none"> <li>RJ: Conversations are continuing with regards to what the service will look like in the future, but nothing has been agreed yet.</li> <li>RB: Service charges report to come to us in December.</li> </ul>	RJ	December

	<ul style="list-style-type: none"> <li>SR Requested we ensure that actions on the action list specifies a target date rather than stating ongoing which does not give enough information. PH agrees.</li> </ul>	RJ	November
<b><u>4</u></b>	<b><u>Health and Safety Update</u></b>		
<b>4.1</b>	The minutes of the meeting 6 June 2024 were approved.		
<b>4.2</b>	<p><b>H&amp;S Improvement Plan:</b></p> <ul style="list-style-type: none"> <li>TF: We have a new Head of Corporate Services to drive some of this forward as our role is ultimately going to be responsible for that kind of corporate assurance around health and safety. It will help us to the point that we're feeling much more assured around legal compliance.</li> <li>Brief yesterday to go through some of this and activities that were ongoing are mostly in a position of green ongoing or complete and we're on target.</li> <li>One which has not been started is around the governance and monitoring framework which will need to be put in place and is a target for the next quarter, after which we can start monitoring and reporting much more formally to this committee.</li> <li>Interviews today for health and safety lead and we have some strong candidates. This person can own health and safety on behalf of the organisation in a much more practical way.</li> <li>The policy is in draft but has not been put forward for approval and implementation, because we haven't got all the underlying elements in place with regards to risk. It was identified as a risk by our H&amp;S advisors to implement the policy prior to all interim work being in place and we were encouraged to put on hold until this is done.</li> <li>Risk assessments: there are 25/26 that are just in the final stages of review before we can sign them off. We need all the method statements developed over the next 6 weeks.</li> <li>Asbestos: we commissioned an external independent organisation. The report noted our plans that had not been implemented, would have put us in a far stronger position to not have the incidents occurring if we had implemented them. We have shared the full asbestos management plan that we're proposing to implement, and they will provide feedback, comments and coaching to the staff over the next couple of weeks. To be completed by the end of September, when we hope to go live with the plan, and it will be available to all our operatives in the same time scale. Enhanced asbestos awareness training, with UK TA, to deliver that on our behalf, after which we can get the 40 operatives through</li> </ul>		

	<p>quickly, so it does not upset the operations.</p> <p><b>Questions</b></p> <ul style="list-style-type: none"> <li>• PH expressed concerns with some of the contents of the report with regards to the need for training and happy to see that it has moved into the risk register.</li> <li>• JT reflected on the Grenfell report on how Health and Safety should be on the top of everyone's agenda.</li> <li>• TD Understands points raised, which is why we're trying to push forward at a pace that we can hit that threshold. We must comply with legislation, and we are meeting all of our obligations and then the aspiration has to be to develop this into an organisation that has excellence in this space. The target for that is end of September, October.</li> <li>• SR expressed concerns with regards to accountability of the different organisations involved.</li> <li>• TF agreed and advised that governance arrangements have been looked at as a more holistic view where ownership is on an individual level.</li> <li>• ST suggested discussion at board level of an understanding of everyone's place to make sure it is going as it should be. HR agreed an action for a workshop to go into the everyone's diaries in the next two weeks to ensure time is taken for this to go ahead.</li> <li>• SR suggested a fuller discussion on roles and responsibilities on H&amp;S for Board members. HR agreed that HR, TF &amp; RM should look to put together a workshop including Board members, corporate landlord service, the council and members. The workshop will be held during Q3.</li> </ul>		
<b>5.</b>	<b><u>Procurement Exemptions</u></b>		
	None		
<b>6.</b>	<b><u>Finance &amp; Performance Update Report</u></b>		
<b>6.1</b>	<ul style="list-style-type: none"> <li>• RJ: bringing forward the quarter one position for all the different finances that we're in control of, Star Housing accounts are currently looking at a pressure of just over £200,000.</li> <li>• HRA also looking at a small pressure, but that's due to budget alignment and the budgets weren't set quite accurately at the beginning of the year which is being rectified.</li> <li>• Overall income collection in the HRA is good and we're not asking for any a write off approvals in this report.</li> <li>• We're hoping to secure £75 million or thereabouts to fund the development of the 225 homes that we've pledged in the development and investment strategy.</li> <li>• As we move forward and become more intelligent around our finances, we will articulate the performance position from a</li> </ul>		

	<p>finance perspective in the reporting for time being performance is just brought in and reported at a high level.</p> <p><b>Questions</b></p> <ul style="list-style-type: none"> <li>• TD wanted to know if there will be a revised report showing the budget position now it has been approved by the council.</li> <li>• RJ confirmed that is correct future reports will reflect the budget update</li> <li>• TD wanted to clarify if we have a robust mechanism that can be audited properly with reference to the works fee, paragraph 2.14.</li> <li>• RJ Confirmed that the principal of the works fee is fully agreed and approved however how the mechanism works in practise is currently being worked on.</li> <li>• PH queried the growth bids for roles that haven't been filled especially as we had complaints due to not reaching our 10-day response target. He also queried the poor performance in responding to complaints in periods 1 and 2. With regards the growth bids TF advised of difficulties in filling the roles, as it is challenge getting someone in for the money we are offering. It was agreed that more detail on the growth bids would be brought back to the next meeting. RJ advised regarding the complaints that during the period there was a lot of sickness in the team. They have reformed their processes which has put them in a good position reaching 100% response in timescales in recent months and the function is in a good position to claw back performance to meet or exceed the annual target by year end.</li> <li>• HR said that in the report there is work going on to get to a balanced budget position. A further update will be issued to the Board and the council on the budget position and potential areas of efficiencies to deliver a balanced budget. There will be a focus on recharges, temporary accommodation, procurement of contracts and staffing levels.</li> <li>•</li> </ul>	HR	November 2024
<b>7.</b>	<b><u>Director's report and Financial Statements for the year ended. 31<sup>st</sup> March 2024</u></b>		
<b>7.1</b>	<ul style="list-style-type: none"> <li>• RJ advised that this report brings forward the Directors' Report and Financial Statements for year ended March 2024. The statements show the operating deficit of £2.7m because of the of significant investment in operations and another point of note is that the pension fund is now in surplus. HR explained that there are discussions ongoing looking at the implications of changing the pension scheme, e.g. closing it for new members. This could free up funds for other thing but would most likely be a decision that would benefit over the longer term, but we need to be careful with the recommendations as we need to retain and attract new talent. There will be a further valuation in September next year which will change the figures again and any decisions need to be made in list of this so we will take the next 6-12 months to decide.</li> </ul>		

	<ul style="list-style-type: none"> <li>Approved the content of the Directors' Report and Financial Statements (Appendix 1) ahead of presenting the same to the Board on the meeting of 16<sup>th</sup> September and recommend that the Chair should duly sign the Statement and Letter of Representation on behalf of the Board.</li> </ul>		
<b>8</b>	<b><u>External Audit Findings – Grant Thornton</u></b>		
<b>8.1</b>	<ul style="list-style-type: none"> <li>JM discussed the draft audit findings report for the period ending 31 March 2024. There are no significant findings to bring to the members attention. JM thanked the finance team for their hard work and being a pleasure to work with. JM confirmed that there were still some outstanding items on the audit still to work through, but they felt that these would not change the overall opinion. They had received confirmation from Shropshire Council of intercompany amounts due to Star Housing and owed by STAR to the Council. Team to reconcile and follow up. The Risk of Override of Management Controls was now complete, and we can hope for the final letter mid-October.</li> <li>JM advised they had received the full set of financial statements and will be undertaking all the relevant disclosure cheques, proofreads and other casting checks.</li> <li>NB advised findings from the audit were invoices from 2018, 2020 which had not been put onto the system which is why we did not accrue in those years. This year there was no issues with accrual.</li> <li>Yellow mark against IT which is not significant but a matter of efficiently maintaining the database correctly. No Cyber issues but we need to tighten up the documentation and processes around cyber security. Also, employee documentation, there were some cases where leaver documents had not been completed correctly.</li> <li>Overall, very good accountancy practices.</li> <li>RJ and HR advised better systems are in place now so those issues should be resolved going forward.</li> <li>RJ introduced Ruth the new Head of Corporate Services who is going to look at Cyber Security as a priority. HR advised we use the same system as the council so even though there will always be risks, we are in a good place. RB confirmed that we would ensure we had a full understanding of the security measures that Shropshire Council had in place on our behalf. PH would like to see it in the risk register as a precaution.</li> </ul>		

	<ul style="list-style-type: none"> <li>HR queried safeguards in place for expenses to make sure they were recorded accurately. NB advised that it was a prior year issue that expenses had not been properly accounted for, but this year that does not seem to be the case.</li> </ul>		
<b>09</b>	<b><u>AGM Report</u></b>		
<b>9.1</b>	<ul style="list-style-type: none"> <li>RJ advised that the next AGM will be at Shrewsbury Town Football Club and will cover some different content with awards ceremonies for staff and residents including garden competition winners to make it more of a celebration day. Guest speakers have been identified and a range of stakeholders invited. PH added there is a focus on encouraging residents to attend due to poor turn out last year. RJ Agreed that we would push on inviting more residents.</li> <li>HR agreed a higher resident presence is necessary and advised we would advertise on our web site and through social media. All agreed the new approach is a good idea.</li> </ul>	RJ	Oct
<b>10</b>	<b><u>Strategic Risk Management Framework</u></b>		
<b>10.1</b>	<ul style="list-style-type: none"> <li>RD advised the report and change in the policy and procedure will bring risks more to the forefront of everyone's minds and having a more organisational wide focus on risk we manage that better as an organisation. The policy will also make the reporting schedules and responsibilities clearer. There have been some changes to the risk registers, both at strategic level and at the operations level that we are looking to explore the new technology which we already have within Star, within the Office 365 application and developing a power app, which will help, because it will simplify everything. It will help workflow as we can remind people that the dates for review are coming up.</li> <li>PH commented that it is important to add the opportunities management strategy referrals to the finance and Audit Committee risk paper so that we are clear about milestones.</li> </ul>	RD	November 2024
<b>11</b>	<b><u>Strategic Risk Register Update</u></b>		
<b>11.1</b>	<ul style="list-style-type: none"> <li>HR advised that identified risks have been removed as agreed by the board but if there is a particular issue, we will bring those back. We have added the risk of health and safety. And the big issue that relationship's ability to the Council related to their financial challenges and some of the in year budget pressures that have been identified elsewhere within the report.</li> </ul>		

	<ul style="list-style-type: none"> <li>PH expressed concern about damp and mould being taken from the risk register. TF agrees with the concerns but is clear that it is still high on their radar. HR advised to include a statement in relation to damp and mould within in risk 10. All in agreement.</li> </ul>	HR	November
<b><u>12</u></b>	<b><u>Audit Status Report</u></b>		
<b>12.1</b>	<ul style="list-style-type: none"> <li>RJ advised we are 40% complete on all actions from the 2023/24 programme recommendations from Shropshire Council's Internal Audit Programme. The 24/25 audit programme is underway with several audits taking place in Q3</li> </ul>		
<b><u>13</u></b>	<b><u>Appointment of Additional Internal Audit Services</u></b>		
<b>13.1</b>	<ul style="list-style-type: none"> <li>HR introduced Beevers and Struthers as the new internal auditors who will be carrying out specialist housing audit work.</li> <li>NS and AB briefed on their auditing experience and what their work with us will entail.</li> <li>HR advised a draft plan will be ready in the next couple of weeks</li> <li>KV requested that we ensure that there is no undue overlap between the work of the two internal audit providers. RJ agreed that the HOCS would monitor this.</li> </ul>		
<b><u>14</u></b>	<b><u>Procurement Regulation Changes</u></b>		
<b>14.1</b>	<ul style="list-style-type: none"> <li>TF advised we are working with GBS procure who are external procurement consultants, with current tender exercises and with developing a framework to make sure that we meet our regulatory requirements. The new procurement regulations are coming in in late October and early indications are that there is going to be a greater administrative burden coming out of these new regulations.</li> <li>TD suggested reviewing the current procurements and programming them to work around the introduction of the new regs as beneficially as possible.</li> <li>PH queried when we will recruit a procurement manager. HR advised it is difficult to recruit with the budget we have available.</li> <li>SR would like procurement plan and what is on the horizon on the next agenda. TF agreed that this could be provided and added to the procurement exemptions section of the agenda which will be expanded to be a more complete procurement update.</li> </ul>	RJ	Nov
<b><u>15</u></b>	<b><u>AOB</u></b>		

<b>15.1</b>	<ul style="list-style-type: none"> <li>• HR advised with regards to governance we will be recruiting two new board members as the changes to the Articles of Association had been agreed by Shropshire Council.</li> <li>• In terms of the ACS review, Tom, Ros, Jenny, Jane and Harpreet have outlined a framework of all the activities we currently undertake have been forwarded to Council rather than proceed with the workshop. We have given that to ACS for advice on legalities. Following the completion of that work, Jenny will be working with Jane and the Council to see where they are comfortable of either retaining or delegating those decisions and make decisions where possible.</li> <li>• Work in progress is based on other changes we are looking at for example in the management agreement where it doesn't fully address the cost of temporary accommodation which is becoming more of a strain within the management fee. Ros and her team are working through and looking at the cost in relation to that activity.</li> </ul>		
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<b>Meeting</b>	<b>Shropshire Towns &amp; Rural Housing FAR Subcommittee</b>		
<b>Date</b>	<b>5 September 2024</b>		
<b>Agenda Item</b>	<b>Action</b>	<b>Who</b>	<b>Status</b>
3.3	Discussions with the Council about temporary accommodation strategy.	RF	Update in December
4..2.3	H&S Improvement Plan	TF	Target for next quarter
4.2.6	H&S Improvement Plan	TF	Next 6 Weeks
4.2.7	H&S Improvement Plan	TF	End of September
4.2	H&S Improvement Plan – Questions, bullet point 3.	TF	End September October
4.2	H&S Improvement Plan – Questions, bullet point 6	KD	Next two weeks
6	Finance performance update – questions, bullet point 7	RB	6-12 months
9.1.1	AGM Report	RB	October
11.2	Strategic Risk Register update	RB	November
13.1.3	Appointment of Additional Internal Audit Services		Two weeks
14.1.4	Procurement Regulation Changes	RB	Nov

