


Meeting	Shropshire Towns & Rural Housing Limited Board Meeting		 Shropshire Towns and Rural Housing
Date	26th May 2023		
Time	13:30-16:20		
Location	Shrewsbury Town Football Club		
Members Present:			
	Tony Deakin (TDk)	Chair, Independent	
	Mark Jones (MJ)	Vice Chair, Shropshire Council	
	Emma Jones (EJ)	STAR	
	James Willocks (JWI)	Shropshire Council	
	James Wood (JW)	Independent	
	Steve Robinson (SR)	Independent	
	Yordan Tolev (YT)	Tenant	
	Paul Hayward (PH)	Co-optee	
	Paul Weston (PW)	Co-optee	
Non-Members Present:			
	Harpreet Rayet (HRa)	Managing Director	
	Tracey Gray (TG)	Interim Operations Director	
	Tom Forty (TF)	Operations Director	
	Ros Bridges (RB)	Corporate Director	
	Jane Trethewey (JT)	Shropshire Council	
	Lucy Heath (LH)	Shropshire Council	
	Mandy Pullen (MP)	STAR EA	
	Kiri Gillham (KG)	Attended Virtually as Minute Taker	
Apologies			
	Julia Buckley (JB)	Shropshire Council	

Minute No.			Who	When
1.	Welcome & Apologies	Members were welcomed and thanked for their attendance, particularly in light of the pleasant weather and the upcoming bank holiday.		
2.	Declarations of Interest	No declarations of interest were made		
3.	Minutes	The minutes from the previous meeting held on February 22 nd were circulated and no detailed discussion was proposed. Attendees were given the opportunity to raise any inaccuracies or concerns before signing off on the minutes.		

4.	Matters Arising	Matters arising from the previous meeting were not included in today's agenda, and there were no further additions raised.		
5.	MD Update	<p>The MD gave a presentation providing an update on the gender project and discussed savings and savings targets. Concerns were raised regarding the compatibility of these targets with the ongoing circumstances, but it was clarified that the saving targets were associated with the general fund and housing revenue account, totalling approximately £7,000,000. The importance of reinvestment and supporting the general fund without additional charges was emphasized. Expenditure allocation challenges related to children services and adult social care were acknowledged, and current efforts in temporary accommodation and office spaces were highlighted. Collaboration and creative accounting were suggested as potential strategies to support the general fund.</p> <p>The discussion then shifted to the complexities faced by the CDL team in their redevelopment work, including planning, decommissioning, and technical aspects. Challenges such as the expiration of the indemnity for the building in 2026 and issues related to telecommunications and existing infrastructure were identified. The potential financial benefits resulting from the redevelopment were noted, emphasizing the need for external expertise and support for the CDL team. The meeting highlighted the risk of inaction due to the potential unavailability of the indemnity in the future.</p> <p>Several key points were discussed, including the importance of addressing issues within the housing department of the local authority was emphasized, with recognition of the team's crucial role and the need for their involvement in key decision-making. Peer reviews and understanding of local policies were deemed beneficial, especially considering the changes outlined in the social housing white paper. The restructuring of the housing function and the development of a clear action plan were also emphasized.</p>		

		<p>Regarding external reviews, funding issues raised doubts about the LGA peer review, but participation in the social housing regulator's inspections in the future was a possibility. The potential cost of £20,000 to £30,000 for a comprehensive review of the council's housing function was mentioned. The impact of restructuring on the start development team and the need for increased capacity to support the accelerated program were discussed.</p> <p>Agreements between the organization and CDL were mentioned, with the final version to be reviewed by the board and discussed with relevant stakeholders. The importance of proper governance settings and financial literacy was emphasized, along with investments in IT infrastructure. Ongoing work with PwC and Sure Consultancy, including the review of current infrastructure, system integration, and the goal of automation and real-time data integration, were highlighted.</p> <p>The discussion then turned to the potential switch from the current IT system, Capita, to a new system called Row Counter. The challenges associated with moving away from Capita after 10 years of use were acknowledged. Negotiations with the new provider would focus on determining the necessary components and implementing the program in a controlled manner. Initial findings and recommendations would be presented in the next board meeting.</p> <p>Other topics discussed included the analysis of the CRM system, website improvements, the value of ward nominations, the committee structure, potential duplication of work between PwC and HQN, and the Marches Across Borders strategic partnership. Exploration of joint housing issues and collaboration with other organizations, such as Connexions, were considered. The progress of the strategic partnership was in its initial phase, requiring further discussions and coordination.</p>		
6.	HRA Business Plan	Moving to the decisions portion of the agenda, surprise was expressed at the lack of suitable software for the business plan and highlighted the benefits of using spreadsheets or specialized software for		

		<p>long-term decision-making, such as considering the impacts of decarbonization and conducting stress tests. The investment in proper software was welcomed, and others agreed that basic software was necessary. The partnership with the county was seen as valuable for transparency and forecasting. The current disconnect in policy setting and understanding the plan's impact over 30 years was acknowledged, and the aim was to have a fully functioning plan that would provide a comprehensive picture of the impact of decisions.</p> <p>Questions were raised about the capital expenditure and whether reserves would be used, but details on that were not available at the moment. It was agreed that workshops and discussions would further explore the policy environment. The need for sophisticated software and models to make informed decisions regarding development, existing stock, compliance, and consumer standards in the housing sector was emphasized. The investment in a suitable software model was deemed essential, and the current simplistic approach using spreadsheets was considered insufficient.</p> <p>The approval for investment in the model was sought, with the understanding that the paper did not present the solution but indicated the likely direction. The need for additional budget approval of £250,000 was also discussed, with a backlog of compliance issues identified and the projected ongoing costs.</p> <p>The sources of funding were not finalized, but it was suggested that the NHRA budget could cover it. The reliance on contractors and the possibility of employing specialist staff in the future for inspections and repair claims were also mentioned.</p> <p>ACTIONS:</p> <p>1. Investment in suitable software: research and acquire the appropriate software that facilitates long-term decision-making, stress testing, and analysing the impacts of decarbonization.</p>		
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- 2. Workshops and policy discussions:** It was noted that workshops and discussions would be held to further explore the policy environment and address the tensions between development, existing stock, compliance, and consumer standards in the housing sector. Action needs to be taken to schedule and organize these workshops, inviting relevant stakeholders to participate.
- 3. Budget approval for compliance backlog:** An additional budget approval of £250,000 was requested to address the backlog of compliance issues. The board needs to review and approve the budget allocation to clear the backlog and ensure that the necessary funds are available.
- 4. Funding sources for compliance backlog:** The sources of funding for the compliance backlog were not finalized, but it was suggested that the NHRA budget could potentially cover it. Further analysis and discussion are required to determine the most appropriate funding source and ensure the availability of funds.
- 5. Specialist staff for inspections and repair claims:** The need for specialist staff to handle inspections and repair claims was raised, particularly regarding district pay and repair claims. Action needs to be taken to assess the feasibility of hiring specialists in this area and consider their potential role within the organization.
- 6. Future consideration of capital expenditure and reserves:** Questions were raised regarding the use of capital expenditure and reserves to address major issues. Action needs to be taken to provide further information on

		<p>the feasibility and implications of using capital expenditure, reserves, or other funding sources to handle major issues that may arise in the future.</p>		
7/8	Damp & Mould / Disrepairs Update	<p>It was acknowledged that there will always be a need for contractors, particularly in dealing with damp and mould issues. The existing approaches, such as mould washing and installing electric fans, can be handled by in-house staff, but more complex cases require the expertise of a new building site appointee who understands the composition of buildings. It was emphasized that proactive measures should be taken to identify problem areas and conduct inspections to ensure outstanding cases are addressed promptly.</p> <p>The need for effective communication with residents, especially those who may face language barriers, was highlighted, and efforts to support better ventilation and address educational challenges related to damp and mould were recognized. The importance of accurate data collection and profiling of tenants to improve services and ensure equal treatment was emphasized. The need for transparency and accountability in handling disrepair claims was discussed, with a focus on directing funds toward residents rather than legal fees.</p> <p>Updating kitchens and bathrooms was identified as a key area for improvement to reduce the number of disrepair claims. The impact of disrepair actions and the involvement of law firms in these cases were acknowledged, and it was agreed that a strategic approach should be taken to manage repair costs and investment in assets. The potential risks and consequences of underinvestment were recognized, and it was noted that external consultants were providing support in building assessments and claims. The ongoing efforts to improve processes and address the issue of cold calling by solicitors were acknowledged. The report was approved by the attendees, and further discussion on concerns and next steps was scheduled for future meetings.</p> <p>The update was noted.</p>		

9/10	Framework for Delegations for Subcommittees	<p>Discussion turned to the framework for delegations of subcommittees was discussed. The chair of the finance audit and risk committee aligned the terms of reference with the sustainability and strategic investment committee. It was suggested to make changes to the nominations committee and ensure clear delegation in line with similar comments. The need for validation of the rent-setting process was highlighted, with plans to bring that information to the board. Concerns were raised about potential conflicts of interest for members of the customer committee, and it was suggested to explore the possibility of Co-op members joining specific committees instead. The importance of getting the right skills for committees such as HR, development, asset management, and strategic investment was emphasized. It was agreed to have conversations with existing members and seek their input. The board expressed satisfaction with the report overall and agreed to continue with the agenda. The training centre's goals, feedback from the violence order risk committee, and the attendance of the program sound manager at the next meeting were mentioned for future discussion.</p> <p>The update was noted.</p>		
11.	Board Review Feedback & Next Steps Presentation	<p>Steve Tolley gave a presentation on skills. The members were asked to self-assess their skills against 16 competencies listed under each of the six main categories. The purpose was to identify areas that needed immediate attention and to plan for individual development. A skills matrix was presented, showing the scores and percentages for each board member. The competencies with the lowest scores were highlighted for further consideration. Various methods of addressing the skill gaps were suggested, including training, coaching, conferences, and online courses. Individual plans would be developed for each board member, and the appraisal process would be used to track progress. The skills assessment would also inform the recruitment of new board members. The long list of competencies served as a reference for future needs, even if some were not currently a top priority. The board</p>		

		<p>recognized the importance of staying updated in a regulated and complex environment, and emphasized the need for personalized and relevant training. Continuous professional development was highlighted as a way to tailor training to individuals' specific needs. Endorsement and support for these initiatives were sought and gained from the board.</p> <p>The presentation was noted.</p>		
12.	Q4 Performance	<p>The first issue highlighted was the turnaround in performance, which has shown improvement but still needs further progress. Outsourcing to contractors has helped reduce the backlog, and productivity has increased. However, there are still concerns regarding repairs and residents' satisfaction. Discussions were held with contractors regarding their productivity, quality, and professionalism. The contractor responsible for the kitchen and bathroom program needs improvement as repairs are often required soon after installation. Data on adaptations is being gathered, but it is not as dire as it seems, with only a few properties unsuitable for residents' needs. Another concern raised was the poor performance in the aspect of management re-inspection reports, which could pose a risk to employees. Efforts are being made to address compliance issues, especially in communal areas, and a new contract is being procured. Overall, performance in various areas, including collections, voids, compliance, and routine repairs, has fallen short of KPIs. Comparisons with other organizations and the impact of the post-COVID world should be considered. The need for clear explanations and actions to address the shortcomings was emphasized, particularly for the statutory accounts. Customer satisfaction and communication strategies were discussed, as well as the challenges faced by the sector, such as labor shortages and construction site issues. It was agreed to pass on messages to the roads team regarding customer satisfaction and potential improvements. The importance of understanding the performance at the operational level was acknowledged, and efforts to visit teams and observe their work were planned. The handling of complaints and adherence to guidelines were addressed, along with the</p>		

		<p>need to update reporting to align with the new code. The status of the website and the percentage of dwellings failing to meet the decent home standard were also mentioned.</p> <p>The report was noted.</p>		
13/14	<p>Finance, Audit & Risk Subcommittee Minutes 4.5.23</p>	<p>Feedback regarding the Finance, Audit, and Risk Committee was discussed. It was noted that the committee approved the report, providing positive feedback. The discussion also touched on the recent challenges faced by the organization, particularly in terms of internal organization gaps. The Chair of the Audit Committee emphasized the need to address these concerns and proposed two elements to improve internal audits. Firstly, Shropshire Council would handle internal audits, and secondly, external experts would be brought in to ensure compliance. The hours allocated for audits were increased to 80 this year to address the growing activity and areas requiring assurance. The importance of working in partnership with Shropshire Council to develop new strategies and ensure compliance was emphasized. It was acknowledged that discontinuing the relationship with the Council would hinder knowledge sharing and understanding of the housing sector. The meeting participants agreed that maintaining the relationship and resetting it would be beneficial. The discussion then shifted to the HRA cap, and it was decided to gather more information to present to the board and the subscript council. The importance of re-establishing the finance and audit committee's focus on financial matters was highlighted. Capital investments and their impact on service delivery were briefly mentioned. The need to address governance issues and make appropriate corrections and amendments to governance structures was recognized. Two aspects were identified: refocusing strategy committees to emphasize detail and structure, and strengthening skill sets through a skills analysis. The importance of working with external experts on governance matters was acknowledged.</p> <p>The report was noted.</p>		

	<p>Development, Sustainability & Strategic Investment Subcommittee 8.3.23</p>	<p>A discussion was held regarding the sustainable subcommittee and its role in strategic investment and development. Reports had been issued, highlighting the focus on sustainability funding and addressing legal issues. It was noted that certain development issues related to service provision were affecting board members and the CEO. The impact of the LH anyway rain count on development programs was discussed, and the need to review workshops and internal strategic investments was emphasized. The importance of maintaining a mixed portfolio of projects and specialist accommodations was highlighted. Cash flows for development and the organization's treasury strategy were also discussed, with an emphasis on sustainability. The timeline for achieving 50% turnover of properties was mentioned, along with the need for a net present value analysis of all properties. The importance of balancing properties that generate revenue with those that require subsidies was emphasized. The coordination between finance, audit, risk, and the strategic investment and sustainability group was highlighted. Questions were raised about the sale of properties and the funding allocation. The challenges faced by housing associations, management organizations, and councils in upgrading properties were acknowledged.</p> <p>The report was noted.</p>		
19.	AOB	<p>An update was provided regarding the customer awards. Due to the challenging circumstances with staff, celebrating the completed £15,000 contract had been difficult. However, an office customer awards program was announced, focusing on an "amazing neighbour" theme. Nine nominations had been received so far, and an afternoon tea event was planned at a hotel in Shrewsbury to honour the nominees and their guests. A PowerPoint presentation highlighting the nominees' achievements would be prepared, and the awards would be presented by either Tony or other team members. The importance of showcasing and celebrating tenant accomplishments was emphasized. Additionally, it was mentioned that this would be the last board meeting for three members (TG, MP, and James), and their</p>		

		contributions were greatly appreciated. HRa expressed gratitude on behalf of the board for their efforts in facing challenges and bringing a fresh perspective to the organization. Recruitment for the vacant positions was briefly mentioned before the meeting was closed to make way for departure celebrations.		
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The meeting closed at 4.20pm

Next Board meeting: 10th July 2023