

<b>Meeting</b>	<b>FAR Meeting</b>
<b>Date</b>	<b>Wednesday 27<sup>th</sup> November 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
Tracey Gray (TG)	Interim Operations Director
Denise Jones (DJ)	Head of Finance
Jenny Daisley (JD)	Client Officer (Shropshire Council)
Harpreet Rayet (HR)	Managing Director
Jo Grivell (JG)	Executive Assistant & Minute Taker
Kath Vose (KV)	Audit Team (Shropshire Council)
<b>Apologies:</b>	
Narinder Sandher (NS)	Beever & Struthers

Item No.		Who	When
<b><u>1.</u></b>	<b><u>Introduction and Apologies</u></b> SF welcomed attendees. Apologies received from Narinder Sandher, Beevers and Struthers.		
<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</u></b>  The minutes from the last meeting were accepted.  PH asked for the table of actions to be fit for purpose, and show what has been completed, what is being carried forward.  SR said it was important that the Board Members can track what is happening.  HR advised there has been some personnel changes, and progress is now being made, and has some ideas to provide more detailed and accurate records of the meetings.  <b>Action #12: SF suggested sharing the approach for tracking actions with PH offline.</b>	HR	January 2025
<b><u>4</u></b>	<b><u>Health and Safety Update</u></b> Report presented by Ruth Phillips.		

	<p>Martin Kelly the new Health and Safety lead joined STAR in October and is making great strides. Incidents are being reported better and actioned properly.</p> <p>He is now working on the revised H&amp;S policy which should be with members before the STAR Board on 9 December 2024. He is also producing a new risk assessment for the operatives on the ground.</p> <p><b>Overview of Discussions and Questions</b></p> <ul style="list-style-type: none"> <li>• SR asked why MK's approach is working so much better than when a third party was used. RP said it is now personalised to STAR whereas it had been quite generic. He has brought a lot of experience and documentation from previous roles and focused on STAR being safe as an organisation. MK has identified areas of risk and is addressing them.</li> <li>• TF added that the external support was focussed on the more strategic areas whereas MK has been building relationships and spending time with frontline operatives understanding what they do and he has added capacity and can write procedures and can work with operatives on these whilst allowing them to focus on their work.</li> <li>• PH stated he liked the new incident reports. PH asked if the necessary support is in place for the physical abuse of staff cases. TF advised the support for the neighbourhood's team has been really positive. Staff have been sent to hospital and have access to the NOSS Counselling Service. The incidents have been in the Bridgnorth area. Staff will visit in twos when there are flags in the system for the more challenging customers and tenant risk letters have been issued to the residents.</li> <li>• PH asked why a property operative would be repairing decking. It was confirmed it is a void property.</li> <li>• SR asked how the new HR and Payroll system will help with H&amp;S. RP advised that incidents will be managed through People First whereas currently they are managed through ERP which doesn't provide the necessary reporting.</li> <li>• HR added that the new tool is cloud based and has more automation, for example, new starters are automatically enrolled on training courses and it flags when people have not done the training. It also allows for information to be extracted more easily.</li> <li>• TF stated it still requires managers to take responsibility for their teams and make sure they build their skills and training. It is a cultural shift and will always rely on people.</li> </ul>		
5.	<p><b><u>Procurement Exemptions &amp; Pipeline Update</u></b></p> <p>Report presented by Ruth Phillips</p> <p>The report was taken as read. There are a couple of big procurement exercises going on at the moment being handled externally by Gary Stephens at GBS. Also working with GS to develop the procurement policy and process for anything being managed internally. The plan is for this to go live on 1<sup>st</sup> April 2025. It will go to Board in March for approval. It will include financial rules and who has delegated authority.</p> <p><b>Overview of Discussions and Questions</b></p>		

	<ul style="list-style-type: none"> <li>• SR asked about the void and repairs being reported as being at risk. TF stated the delay was about making sure the specification was clear and delivered what was needed. It is now almost back on track. The repairs procurement is quite ambitious and will have a number of lots, so the scale of it has caused a bit of a delay.</li> <li>• TD asked where we are with contracts register to give transparency of costs and contract length. RP advised that this is being managed as an end-to-end life cycle of the process and are in the process of developing the contracts register across the organisation. TF added that there is one in place already covering the Top 30 spend areas and this will be improved on.</li> <li>• PH asked when the adaptations, painting and asbestos were due to start. TF advised conversations will start in December with a procurement process happening in Q4 of this year.</li> <li>• SR asked if the government procurement regulations changes in February would impact any procurement exercises. RP did not believe the changes would. GS from GBS has been very helpful in shaping the policies to incorporate the type of compliance required.</li> <li>• HR flagged his concerns with the new act, because of the additional administration and technical burden it will place on the organisation. A company will have to spend more time with the people who are unsuccessful. We will have to give more feedback where previously would want to go straight into meaningful negotiations with the successful tenderer.</li> <li>• HR added it does allow for more commercial negotiations so if the winning tender offers a price and another bidder can offer a better price this can be negotiated to offer the same. This is an advantage.</li> <li>• SR stated that he is very encouraged with the progress being made by RP in the two areas of H&amp;S and procurement.</li> </ul>		
<b>6.</b>	<p><b><u>Finance &amp; Performance Update Report Q2/P6</u></b> Report presented by Denise Jones.</p> <p>The report was taken as read. DJ highlighted the £17K deficit which is a quite balanced position at the end of Q2. She reported STAR is on track with the HRA monitoring and is seeing a reduction of forecast major repairs spend, but conversely means there is a saving against budget. The report also highlighted the increase in management fee proposal and rent setting paper.</p> <p><b>Overview of Discussions and Questions</b></p> <ul style="list-style-type: none"> <li>• TD asked if STAR is seeing a blitz by legal firms on disrepairs in particular areas. TF stated STAR is relatively low in comparison to other landlords and no pattern is emerging.</li> <li>• SR asked if the team feels that Disrepairs are under control. TF advised there is an improved position due to a change in the legal team at the Council and better management of the cases, and if we say we will do something the follow up is better. There is still more to do but things are improving. It is important to hit timescales when the repairs are recorded.</li> <li>• PH asked what the reduction is the major repairs work spend is attributed to. DJ said that spend on kitchens and bathrooms was</li> </ul>		

	<p>reduced as initially that work had stalled, so that was revised and the work on damp and mould has not materialised as expected.</p> <ul style="list-style-type: none"> <li>• HR said a lot of the delay in kitchens and bathrooms was due to STAR not being in a statutory position to allow us to undertake that programme because we had not procured the contractors in the right way previously.</li> <li>• PH asked if there is an underspend on collection of service charges. RJ said generally speaking, STAR is under collecting and there is work on going to look at revising the allocations. DJ added that STAR has needed to go back to basics in how the base information is categorised.</li> <li>• HR advised that STAR is maintaining land where the HRA has got no properties as an example. TD said it was interesting to know what STAR's responsibilities are when there are no properties because they have been transferred through Right to Buy etc.</li> <li>• STAR needs to be clear what can be charged through the HRA and what is other activity and once the service charge work is complete, we will decide what can and can't be done as need to be in a full cost recovery position. There is no contractual or legal obligation.</li> <li>• PH raised his concern on the abandonment of calls and asked for the next iteration of operational metrics it would be useful to understand what the targets are and what is being done on damp and mould and abandonment of calls.</li> <li>• <b>Action # 13: TF advised that further information would be provided at the next Customers Services Subcommittee meeting on call abandonment and there is a report being produced for December's Board meeting on damp and mould.</b></li> <li>• SR asked how it is going with the budget holders and their responsibility. DH said they have been very positive and everyone is on board with the new process and very engaged and forthcoming. There are regular budget meetings. It feels like people have a better handle on their budgets.</li> <li>• RJ added the introduction of the management accountant has helped and she is providing coaching to the budget holders, so they are more focussed on finance in their daily work.</li> <li>• SR added that the committee is holding STAR to account, and it helps to have something tangible. What works, what doesn't and where it doesn't what are you doing about it.</li> </ul>	RJ	April 2025
<b>7.</b>	<p><b><u>March 25 HRA Business Plan incl Proposals for Rent Setting, Capital Programme and Management fee</u></b></p> <p>The report was taken as read and the chair welcomed any questions on the report.</p> <p><b>Overview of Discussions and Questions</b></p> <ul style="list-style-type: none"> <li>• RJ advised working towards getting the plan approved on STAR side and Council side by February. In the plan requesting an increase to the borrowing envelope from £122m to £174m.</li> <li>• In an update to the shared report the business plan working group with Council colleagues had met on 26 November and they said the plan has been signed off internally, but the business plan won't be going through to the Cabinet in December because the</li> </ul>		

	<p>agenda is too full. They are looking to see if they can go through to a special January meeting but that is unlikely.</p> <ul style="list-style-type: none"> <li>• The important thing is that all the finance papers, the Treasury strategy, capital strategy, medium term financial strategy contain all the figures in the business plan. It is built into their financial outlook for the future. It's a slight hiccup but not a real issue. It will go to Cabinet in February.</li> <li>• HR added that have already been to informal Cabinet a few times to outline the plan and why need the additional borrowing to meet our Decent Homes obligations and continue building for the local authority. Have been meeting with opposition parties and their views are generally why are STAR not securing borrowing more to deliver more housing. Our stance is that don't want to make commitments that we cannot fulfil.</li> <li>• TD believes it is the Council's responsibility to have the plan, so it does look poor Governance wise that the Cabinet have not had the business plan approved. This should be recorded at the Board meeting and fed through to the Assets Assurance Board.</li> <li>• KV asked if the informal meetings with Cabinet had been minuted, as evidence. HR does not believe that the meetings are minuted.</li> <li>• <b>Action #14: HR to speak to the Council leader and flag the concerns regarding business plan not being reviewed by Council until February.</b></li> <li>• <b>Action # 15: TD asked to have some training to understand how the loans would operate; how long are loans for and what is the choice of tenure of loans.</b></li> </ul>	<p>HR</p> <p>RJ</p>	<p>December 2024</p> <p>March 2025</p>
<b>8</b>	<p><b><u>Developing the STAR Budget 2025/26</u></b></p> <p>The report was taken as read.</p> <p>RJ provided an overview that now we have set the management fee the team is working to set the STAR budgets. Because of the inherent cost pressures in STAR's operations STAR has initiated a savings programme and finance is asking SMT to create a list of proposed savings. The changes in the National Insurance rate is a significant pressure. The working assumption is that it will be funded through the HRA for the first year.</p> <p><b>Overview of Discussions and Questions</b></p> <ul style="list-style-type: none"> <li>• HR said it is important to understand the financial pressures that will hit in the next year. The risk is that the Council has not yet received the settlement for the NI yet.</li> <li>• SR asked how the money would feed through. HR said the Council would increase the management fee in line with the NI pressure. The grant would only give breathing space for the first year.</li> </ul>		
<b>09</b>	<p><b><u>Strategic Risk Register Update</u></b></p> <p>The report was taken as read and the chair welcomed any questions on the report.</p> <p><b>Overview of Discussions and Questions</b></p>		

	<ul style="list-style-type: none"> <li>• TD said he agreed that we need an assessment against the consumer standards in the New Year.</li> <li>• PH said the updated comments were helpful and gave a good update on the risk position.</li> <li>• The Chair confirmed that all are happy to approve the risks and that they have been evaluated correctly and have the necessary controls in place.</li> </ul>		
<b>10</b>	<p><b><u>Audit Status Report</u></b> Report presented by RJ and taken as read.</p> <p>RJ confirmed thatbvSTAR is on track to deliver the 23/24 recommendations by year end. It was a slow start in 24/25 but now had two audits completed and the Final report for the HRA business plan audit has been shared with the committee. It has come back as 'Limited' which is disappointing but a lot of the recommendations have been addressed and in some areas we need to evidence and embed process which will take time</p> <p><b>Overview of Discussions and Questions</b></p> <ul style="list-style-type: none"> <li>• TD asked for it to be clarified that the extension request is for the 31 March 2025 to complete all 23/24 audit actions. This was confirmed.</li> <li>• TD flagged that the one area that there was not as much confidence on was where Shropshire Council IT were involved. RJ advised it is dependent on Shropshire Council. There have been discussions with more senior leaders at the Council to focus the minds. HR added that these are recommendations, and this is down to a third party so need to be able to say we are not doing it if we can't move it forward.</li> <li>• <b>Action #16: TD agreed and feels that the lack of progress on the IT side by Shropshire Council needs to be reported to Board and then onto the Asset Assurance Board.</b></li> <li>• PH asked what has been put in place to address the concern around documenting the rent setting process and not setting new rents at Target rent. RJ stated that moving to target rents is in the business plan and that the intent is to start to set the rents at target rent from now on. HR added the reason have not been doing it is because of the Council's policy to relet and not move to target rent. That will now change. DJ advised that the process to setting rent is being documented and the rent setting process will kick off with Abovo just before Christmas.</li> <li>• <b>Action #17: PH asked if it is possible to add an audit that looks at the reporting of complaints to give reassurance that it is not being under reported. RJ agreed will discuss with auditors how to capture that in the plan.</b></li> </ul>	<p>RJ</p> <p>RJ</p>	<p>December Board</p> <p>February FAR</p>
<b>11</b>	<p><b><u>Internal Audit Programme Update Shropshire Council</u></b> Report presented by Kath Vose</p> <p>The report was taken as read. As mentioned, the IT system upgrade is now in for review and should be in draft this week. There are two other areas being audited now; risk management and corporate governance and the recommendation follow-ups will start next week</p>		

	<p>as well. There are two remaining to be completed in Q4, financial management and payroll.</p> <p>KV added that the limited assessment was because a lot of the work was in progress for the HRA, and the rent setting. KV said as have set a plan must ensure there are no further delays as there won't be the time left to conduct them.</p> <p><b>Overview of Discussions and Questions</b></p> <ul style="list-style-type: none"> <li>• TD said the key thing is to ensure staff are available for the forthcoming audits.</li> <li>• HR stated the work done by KV and the team is appreciated but we don't agree with the outcome of the HRA business plan audit. He appreciated she needs to give an opinion, but we need to then put it on record that we don't agree with that, and we've got external validation information that has been agreed by the Council saying that the business plan model is correct and working the way it should be. As a group it needs to be fed back to the auditor where there is a difference of opinion.</li> <li>• TD confirmed that if the plan was validated externally and it is determined that it's fit for purpose then that is the key thing, so would take assurance from that. HR added that is the basis for the additional borrowing into the HRA. Savill's have completed the exercise and have provided the draft report.</li> <li>• KV said that when the recommendations are put in place from the Savill report then it will be a different outcome. The timing of the audit was not ideal. This area will be reaudited next year and the changes will be in place and that will give the committee the assurance they require.</li> <li>• <b>Action #18: HR said he would write formally with the objections to the audit findings related to the HRA business plan.</b></li> </ul>	HR	December 2024
<u>12</u>	<p><b><u>Pension Strategy Update</u></b></p> <p>Report presented by RJ</p> <p>LCP have been commissioned to look at the Pension Strategy and give some options of what to do. The report has been shared.</p> <p>They have looked at three options for the cost profile; doing nothing or closing to new entrants, or closing completely. The next steps would be to nail down the true cost implications for those options.</p> <p>Both closure options have an immediate cost so any strategy in that area would be a benefit in the longer term not today. The proposal is to wait until the next triannual evaluation before proceeding to a decision.</p> <p>The report was discussed at the HR &amp; Remuneration Committee and one of the recommendations was to look at the legal implications of doing this and the freedoms that STAR has. LCP have offered to come and do a Q&amp;A session to the Board and this will be done at the March 2025 Board.</p> <p><b>Overview of Discussions and Questions</b></p>		

	<ul style="list-style-type: none"> <li>• TD said it was important to get the legal documents for setting up STAR and see what they say in relations to Pensions. TD suggested to approach the legal firms who worked on the documents.</li> <li>• SR said that as the matter is underway and the team is working on the recommendations from the HR and Remuneration Committee that the FAR committee notes the contents of the report and the update.</li> </ul>		
<b><u>13</u></b>	<p><b><u>AOB</u></b></p> <ul style="list-style-type: none"> <li>• HR raised the Anthony Collins Governance Review. JD has been in conversations. Note that timescales are getting tight, and the pre-election period starts in March. Have discussed the governance structure for the local authority in relation to the refreshing of the AAB. HR said would need to renegotiate the management agreement off the back of this and any changes would come to the STAR Board for sign off. TD proposed the committee notes this update and awaits further information.</li> <li>• RJ discussed recent proposals from SC to increase the general fund charges to the HRA. She stated that its entirely appropriate that the HRA does support some of the general fund cost where it relates to activity in relation to housing. The charge for that is increasing and the team has reviewed the basis for the charges they want to add. There is some concern over the validity of some of the charges. A paper is being taken to Board. Ultimately the decision sits with the Section 151 Officer but it needs to come to the Board to give STAR's viewpoint on it.</li> <li>• HR added that there has been criticism of other ALMOs who had not looked at the recharges to the HRA appropriately, so it is important that the Board are sighted and aware of the charges.</li> <li>• TD stated that have had done interviews for the Board and looking to confirm the appointments at the December Board and will need to review Committee membership thereafter.</li> </ul>		



**Action Tracker:**

Below is a snapshot of the new FAR action tracker. It will be updated and provided as part of the meeting papers. Any closed items will be filtered out once minutes are signed off but are still available on the main action tracker if required.

Action #	Date of FAR Committee Meeting	Agenda Item	Action	Status	Action Owner	Action Due By	Updates
1	5-Sep-24	Matters Arising	Discussions with the Council about temporary accommodation strategy.	Ongoing	RF	Feb-25	Update 27/11- Conversations are continuing with regards to what the service will look like in the future, but nothing has been agreed yet.
2	5-Sep-24	H&S Improvement Plan	One activity that 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.	Closed	TF	Q3 2024	Update 27/11-Covered in update on work being done by Health and Safety now MKelly has joined the company.
3	5-Sep-24	H&S IP 4.2.6	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.	Closed	TF	Oct-25	Update 27/11 Covered under the risk register update
4	5-Sep-24	H&S IP 4.2.7	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,	Ongoing	TF	Feb-25	Update 27/11 Mark Kavanagh is speaking with ION who will be delivering the training

			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 quickly, so it does not upset the operations.				
5	5-Sep-24	H&S IP Q3	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.	Closed	TF	Nov-24	Update 27/11 Policy has been written
6	5-Sep-24	H&S IP Q6	SR 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.	Ongoing	KD	Jan-25	Update 27/11 Risk workshop still to be arranged by new Governance Manager who starts in the New Year.

7	5-Sep-24	Finance Q7	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.	Ongoing	HR	Feb-25	Update 27/11 Covered in Budget Update. The budget is still to be finalised.
8	5-Sep-24	AGM	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.	Closed	RB	Oct-24	
9	5-Sep-24	Risk Register	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.	Closed	HR	Feb-25	Update 27/11 To be covered in risk review. Update 9/12 PH confirmed this can be closed as damp and mould is covered in the risk register.
10	5-Sep-24	Audit Services	HR advised a draft audit plan will be ready in the next couple of weeks	Closed	HR	Sep-25	

11	5-Sep-24	Procurement Changes	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.	Closed	RJ	Sep-25	Update 27/11 Covered in Procurement Update
12	27-Nov	Matters Arising	PH asked for the table of actions to be fit for purpose, and show what has been completed, what is being carried forward.	Closed	JG	Jan-25	Update 9/12 PH confirmed that the new format for action tracking will act as good evidence and governance and he supported the standard approach for board and committees.
13	27-Nov	Finance and Performance	TF advised that further information would be provided at the next Customers Services Subcommittee meeting on call abandonment and there is a report being produced for December's Board meeting on damp and mould.	New	RJ	Apr-25	
14	27-Nov	Finance and Performance	HR to speak to the Council leader and flag the concerns regarding business plan not being reviewed by Council until February.	New	HR	Dec-24	
15	27-Nov	Finance and Performance	TD asked to have some training to understand how the loans would operate; how long are loans for and what is the choice of tenure of loans.	New	RJ	Mar-25	Request in to SC Treasury team to provide an overview.
16	27-Nov	Audit Status	TD agreed and feels that the lack of progress on the IT side by Shropshire Council needs to be reported to Board and then onto the Asset Assurance Board.	New	RJ	9-Dec-24	Completed – this has been reported.

17	27-Nov	Audit Status	PH asked if it is possible to add an audit that looks at the reporting of complaints to give reassurance that it is not being under reported. RJ agreed will discuss with auditors how to capture that in the plan	New	RJ	Feb-25	
18	27-Nov	Audit Status	HR said he would write formally with the objections to the audit findings related to the HRA business plan.	New	HR	Dec-24	