



Minutes of Meeting

Meeting Name: **Shropshire Towns & Rural Housing Limited**

Meeting Location: **Microsoft Teams**

Date and Time: **7th July 2020**

Members present:

Chair – Simon Harris (Shropshire Council) SH
Emma Jones (Staff) EJ
Steve Robinson (Independent) SR
James Wood (Independent) JW
Paul Weston (Co-Optee) PW

Vice-Chair – Nicki Barker (Tenant) NB
Paul Kelly (Shropshire Council) PK
Tony Deakin (independent) TDk
Paul Hayward (Co-Optee) PH

**Non-Members
Present:**

Sue Adams (STAR) SA
Melanie Smith (STAR) MS
Martin Whitelegg (STAR) MW

Steve Ogram (STAR) SO
Teresa Dagnall (STAR) TD

1.	Apologies	<p>Apologies were received from</p> <ul style="list-style-type: none"> • Mark Jones (Shropshire Council) Board Member • Jamie Burns (Shropshire Council's Client Officer) <p>Ann Maltby Board Member did not join the meeting and no apologies were received.</p>		
2.	Declaration of Interests	<p>The Board were asked if they had any interests to declare on any items on the agenda.</p> <p>There were no interests declared.</p>		
3.	Minutes from STAR Board Meeting 19 th May 2020	<p>All members confirmed that the previous minutes had been received and were an accurate reflection of the meeting.</p> <p>A copy of the minutes will be signed and placed on the minute book.</p>		
4.	Matters Arising	<p>The matters arising from the previous Board meeting have been circulated.</p> <p>There were no further matters arising.</p>		

PUBLIC DISCUSSION ITEMS

7.	2019/20 Financial Statements	<p>SO introduced the report. SO advised that the report seeks the Board's approval for the Directors Report and Financial Statements and to authorise the Chair to sign on behalf of the Board.</p> <p>The Financial Statements were prepared in late May and have been audited by Grant Thornton, the external auditor. These were presented to the Finance, Audit & Risk Subcommittee on 23rd June and the Audit</p>		
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	<p>Manager from Grant Thornton attended that meeting to present the audit finding report.</p> <p>The audit has now been completed with no issues arising or giving the auditors a cause for concern, however, It was noted there is one outstanding issue as Grant Thornton have not been able to complete their audit of the Shropshire Council pension fund of which we are members, and if issues were found within this audit, there could be implications for STAR.</p> <p>Grant Thornton anticipate completing this audit by mid-month and if no issues are found there will be no changes required to the Directors Report and Financial Statements.</p> <p>The Board are asked to delegate authority to the Director of Finance and Resources in consultation with the Chair of the Board and the Chair of the Finance, Audit and Risk Committee if any changes are required.</p> <p>NB noted that a sterling job had been done again and thanked TD, SO and the team.</p> <p>PW noted the financial position is a “net liability” position due to pension liability, and if not for this, there would be a net asset position. He was surprised there is not more reference to that in the going concern consideration and assurance for board members that this does not effect a going concern position as pension / any deficit position is underwritten/guaranteed by the Council?</p> <p>SO confirmed that there are no insolvency concerns and the Auditors have not raised any issues either. This isn’t considered a threat and it is correct that if STAR were taken back in house the liability would fall on the Council.</p> <p>PW noted the community alarm service is loss making and asked if assurance could be given to the Board that the target is to break even. SO</p>		
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	<p>noted the service in 2019/20 made a surplus. Until April 2016 STAR received £79,000 annual grant funding from the Council through Supporting People to help vulnerable people with benefit eligibility have an alarm service for free. The grant funding was withdrawn completely in 2016 and one or two local providers also withdrew because they could not subsidise a service without support.</p> <p>We took a view to continue to offer this service and introduced a new charge £2 per week for users who had previously benefited for a free service and all residents in our sheltered schemes. The standard charge is around £3.50 per week which is in line with other service providers. The priority for STAR is to help support vulnerable tenants and not to make a profit.</p> <p>PW noted in the Directors Report we comment on 4 out of 27 targets we missed, but these were not fully covered in the narrative. SO advised that a table is included in the report that indicates our performance against the 27 Management Agreement targets. The narrative that follows is only intended to focus on key areas and is not intended to be a full account of our performance. Performance is brought to Board regularly, so Board members have an opportunity to review this each quarter.</p> <p>PW had noted that reference is made to the FAR Subcommittee within the risk management/internal control report, however no reference is made to the Development Subcommittee and queries if this has a key role around development/ sales risk control? SO confirmed there is a clear level of responsibility within the Risk Strategy and that is SMT – FAR – Board. The Development sub-committee receives risk reports that are specific to each individual development scheme. We do report minutes to the Board but this level of detail is not formally reported to the FAR Subcommittee or Board but can be made available if requested by any Board Member. We don't have any current schemes and so there are no live risks relative to Development.</p> <p>PW asked if the VfM metrics were applicable to STAR and SA confirmed</p>		
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	<p>they are not currently applicable to an ALMO, although this could change in the future.</p> <p>PW noted that the NHF Code of Governance and external review of the board every 3 years is mentioned, but there is no indication in the report when this has occurred or is due to occur.</p> <p>SA confirmed the latest external review was initially delayed whilst we awaited the outcome of the options appraisal. Once that had concluded we had scheduled to carry out the review this summer, had identified a number of providers who could carry out the review and had obtained quotes. This was deferred following a discussion with the Chair due to the pandemic. A key part of the process is observing meetings and meeting Board members. We have not identified a new date yet, but anticipate Autumn may be the earliest opportunity that the Board may be able to start meeting in person again. We are in a position to kick this off as soon as we are able.</p> <p>PW asked if STAR has to comply with the seven key regulatory standards and SA confirmed we only have to comply with the Consumer and Rent standards. SA noted however, that when the Business Plan was being developed, a gap analysis against the regulatory standards was carried out and identified a number of areas where we can improve compliance and this has been built into the Business Plan.</p> <p>PW had noted there was no reference to the Board having appointed 2 co-opted members in the Directors Report. SO confirmed that the Directors listed in the report were those registered at Companies House, so that the report and the companies listing matched. PW thought they may be included to aid transparency and SA confirmed we can look into this.</p> <p>PW noted that we mentioned the VfM 2016-19 Strategy and queried if we needed to explain the position with regards to the post 2019 VfM Strategy. 16/19 strategy. SO confirmed that this is an action within the new Annual</p>		
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	<p>Action Plan, being discussed under Item 8. Action 38 makes reference to a delivery of a new VfM Strategy and is earmarked for approval at the September Board meeting. We will review the ever changing circumstances, however, it may potentially be held back until later in the year.</p> <p>The Board approved the following recommendations:</p> <p>2.1 The Board approves the Directors' Report and Financial Statements for the year ended 31 March 2020 (Appendix 1) subject to confirmation from Grant Thornton that the outstanding audit work on the Shropshire Pension Fund has been completed.</p> <p>2.2 Should there be a need to make any amendment to the Directors' Report and Financial Statements, authority is delegated to the Director of Finance and Resources in consultation with the Chair of the Board and the Chair of the Finance, Audit and Risk Committee.</p> <p>2.3 In the event of any amendment arising from 2.2 a revised Directors' Report and Financial Statements will be circulated to all Board Members for information.</p> <p>2.4 Subject to fulfilment of recommendations 2.1 and 2.2 above, the Chair of the Board signs the Directors' Report and Financial Statements for the year ended 31 March 2019 on behalf of the Board on the 3 pages required.</p> <p>2.5 The Chair of the Board should sign the letter of representation (Appendix 2) on behalf of the Board.</p>		
8.	Annual Action Plan Report 2019/20 and Annual Action	Annual Plan's differ from ALMO to ALMO. At STAR, the Annual Action Plan (AAP) is developed by STAR and approved by the Asset Assurance Board at the Council. We look at what has happened over the past year, look forward to the next year and pull this together into a plan that is discussed	

Plan 2020/21	<p>at Board. The plan also incorporates actions that have been rolled forward into the new financial year.</p> <p>PW noted that 13 of 41 actions are planned rollovers and asked what assurances the Board has that actions are not slipping behind.</p> <p>SA advised that a management framework is in place, manager's comment on the progress in a quarterly report and these are discussed at a quarterly review meeting. Progress is reported to the Asset Assurance Board quarterly and bi-annually to the Board.</p> <p>PW thought that some of the actions have long timescales for completion and queried if the Board could see milestones for those so that the Board is assured progress is being made.</p> <p>SA noted that structures may be revisited more than once and across different parts of the organisations, and many of the actions may have a number of steps along the way. For example, the Board review has a completed date of October 2021, this is the date of the AGM where any formal changes are adopted, however, there will be other actions completed along the way to fully complete this overall action. SA suggested we could have a link to the AAP within the service report so that members can review progress.</p> <p>The Board agreed they would like further information and could then request further information if they had any queries.</p> <p>TDk felt there were far too many actions within the plan, some of which are big policy issues along with more operational ones. TDk felt that the reference to ambitious expectations was setting STAR up to fail and there should be more of a focus on perhaps three or four objectives.</p> <p>SA advised that STAR has come from a place of two landlord services where there was a lack of ownership of some of the activities that needed to be done. Over time this has evolved where issues are identified, some of</p>	Link to AAP reports in service report	SA
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	<p>which are big policy issues, some are smaller but they are all there to ensure there is ownership. Some of the larger overarching policies will have more detailed action plans beneath them and these feed into the AAP. The process has been streamlined and is a mix of policy and operational issues all in one place to ensure we don't lose sight of, or forget anything. The more strategic issues are in the Business Plan. Development of the plan comes from SMT and flows in part from the Business Plan.</p> <p>SR felt that if we're not careful, the Board could become involved in all 56 actions in the AAP and there needs to be some thought given to what the role of the Board is. SR felt the role of the Board is to oversee the strategic objectives of STAR and hold the leadership team to account – there needs to be a balance that the Board are holding to account the right things.</p> <p>JW thought this has opened a really interesting debate on assurances that the Business Plan is being delivered – it is a tricky subject and can often be hard to get right. The Board needs to have trust that the executive team are delivering the Business Plan and that Board meetings not being led by operational issues. The Board are here to lead the strategic direction of the business and believes the plan needs some work and a working group may be the best way to discuss board assurance and devise a package and structure that everyone is happy with.</p> <p>SA thought this was a good idea. The plan is usually started in the Autumn, so this could be a good time to get a working group together and feed into the next iteration of the plan or a successor approach.</p> <p>The Board approved the following recommendations:</p> <ul style="list-style-type: none"> • To note the report on the delivery of completed actions in 2019/20 • Approve Action Plan for 2020/21 	<p>Board members to email SA if interested in joining working group</p>	<p>ALL</p>
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9.	Update on Voids Performance	<p>MW introduced the report highlighting the current voids performance.</p> <p>PW noted that there are currently 27 voids, is there a target voids position at any point in time? MW advised that there is no target for a number of voids. Tenants leave properties at different times due to a variety of reasons, however, there are turnover targets for standard voids, major works and a combination of the two.</p> <p>PH asked how much income has been lost due to the reduction in lettings during the pandemic MW advised that in 2019/20 the loss was on average £600 pre void and on 26th June 2019 totalled around £29,732. Current void loss on 26th June 2020 is at £41,697 so almost double per void at the same time last year.</p> <p>SH asked how we intend to catch up with letting current voids? MW advised we are currently working with the Council's homeless team so that every void is offered and held for them. Some properties were allocated prior to lockdown and we are now starting to progress these and getting people in. During the lockdown we have only had approximately 10 – 12 voids and are starting to see that many people are choosing to stay where they are.</p> <p>NB noted that we usually ensure we don't use more than 2% of stock for temporary accommodation and is concerned that this is already at 3%. Are there concerns that this figure will continue to grow. MW confirmed he does not anticipate this going past 3%.</p> <p>TDk noted there is a particular housing association who does not accept nominees straight in tenancies if they have not previously worked with the Council to ensure they can sustain a tenancy – at STAR do we have any methodology that could offset any increased voids costs due to our different policy choice? MW advised there is an agreement with the homeless team, where we will make a property available initially as temporary accommodation. They manage the tenant into that property and</p>		
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		<p>then we work them, using our Financial Inclusion team or any other support they need, to ensure they are ready to sustain a tenancy when we take them on.</p> <p>The Board noted the contents of the report.</p>		
10.	Development Subcommittee 02.6.20	<p>JW has been appointed as the new Chair of the Development Subcommittee and spent some time during the meeting getting to know the subject and other members. Key highlights from the meeting were:</p> <ul style="list-style-type: none"> • Jason O 'Donoghue gave an overview of the current opportunities and the team are taking a proactive approach to development. • There are no current live sites. • Looking at tenure switches where we have unsaleable properties. <p>TDk asked if the investment appraisal tool is used on the HRA. SO advised it isn't, it is being used as a standalone tool. TDk thought this is a useful tool and is being used by a number of ALMO's.</p> <p>The Board thanked JW for the update and noted the contents of the minutes.</p>		
11.	Finance, Audit & Risk Subcommittee 23.06.20	<p>TDk has been appointed as the new Chair of the FAR Subcommittee. TDk spoke to all members ahead of the meeting last month to get to know them a little. Key highlights from the meeting were:</p> <ul style="list-style-type: none"> • The very good work by the finance team was acknowledged. • Pension accounts had not had the sign off and there had been some generous assumptions. Grant Thornton will deal with this issue and it should be resolved shortly. • The subcommittee received a Health & Safety report and considered a risk analysis, both of which prompted a lot of questions and there were some very useful discussions. 		

		The Board thanked TDk for his update and noted the contents of the minutes.		
12.	Tenants Scrutiny of Tenant Portal and Website	<p>MW introduced the report and action plan that have been completed following the piece of work carried out by our tenants to scrutinise the website and portal following feedback received as part of the tenant survey.</p> <p>The action plan is in place to ensure the recommendations made by tenants are delivered.</p> <p>NB enjoyed reading this piece of work and was pleased to see the work of tenant involvement. NB wanted to express her thanks to tenants and all those involved.</p> <p>NB noted that there is a lack of tenants who are online and do not have regular access online. Are there any plans to address this?</p> <p>MW noted it is part of the wider picture of digital inclusion. More people have smart phones, whilst they may not have a PC or laptop, so we are looking at making things more smartphone friendly. This does raise an issue as we often use the Council's IT system and the security requirements may not allow this.</p> <p>The Board approved the following recommendations:</p> <ul style="list-style-type: none"> To note the Website and Tenant portal scrutiny and the draft action plan. To approve the Action Plan for implementation. 		
13.	Any Other Business	<ul style="list-style-type: none"> SA has emailed the Board offering PI sessions. Have received some responses but if anyone else would like to take part please email SA by this Thursday so that some dates can be circulated. 	Board members to email SA regarding PI sessions if interested	ALL

		<ul style="list-style-type: none">Will consider holding the next meeting in a large meeting room if restrictions are further lifted and it is safe to do so.	Try to physically meet in Sept	SA
		Date of next meeting: 22nd September 2020		