

Minutes of Meeting

Meeting Name: Shropshire Towns & Rural Housing Limited

Meeting Location: Board Room, Spruce Building, Shrewsbury

Date and Time: 26th February 2019 – 1.30pm

Members present:

Vice Chair – Nicki Barker (Tenant) NB
Ann Maltby (Tenant) AM
Paul Kelly (Shropshire Council) PK
Mark Jones (Shropshire Council) MJ

Charlotte Parry (Tenant) CP
John Wood (Independent) JW
Simon Harris (Shropshire Council) SH

Non-Members
Present:

Sue Adams (STAR) SA
Melanie Smith (STAR) MS
Martin Whitelegg (STAR) MWH
Jo Williams (STAR) JW
Niall Salisbury (STAR) NS

Steve Ogram (STAR) SO
Claire Allen (STAR) CA
Teresa Dagnall (STAR) TD
Steve Thorpe (STAR) ST

1.	Apologies	<p>NB opened the meeting and welcomed everyone to the meeting.</p> <p>Apologies were received from:</p> <ul style="list-style-type: none"> • Margaret Wright (Independent) MW • Richard Grounds (Independent) RG • Emma Jones (Staff) EJ 		
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 27 th November 2018	<p>All members confirmed that the previous minutes had been received and were an accurate reflection of the meeting.</p> <p>The minutes will be signed and placed on the minute book.</p>		
4.	Matters Arising	<p>The matters arising from previous Board meetings were circulated for information.</p> <p>We are considering a possible Board Away Day to discuss how the Board improve interaction with tenants. There are some changes coming from the National Housing Federation regarding the code of governance, which looks at the relationship between tenants and the organisation of the Board. SA is attending a training course in April and will either bring this back to a future away day or as a training session before a Board meeting.</p> <p>There were no further matters arising.</p>	Arrange away day/training session	SA

5.	Budget 19/20	<p>SO introduced the budget report presenting the budget for 2019/20. The report has 17 recommendations, 3 for noting.</p> <p>The budget strategy was presented to Board in November 2018 that laid out framework and guidelines for creating the budget. STAR continues as a going concern. There have been lots of talk around options appraisal, however, we will continue to be a going concern until we are told otherwise.</p> <p>The management fee supports the bulk of STAR's activities and how this is calculated is prescribed within the management agreement. The management fee calculation was taken to the Council's Asset Assurance Board on 22nd January 2019 and will be presented to full Council on Thursday this week.</p> <p>The pay award brought to board last year was a 2 year settlement and it is recommended that we continue and adhere to the 2 year agreement. NJC have streamlined the national pay spine, deleting some of the lower points as we move towards the national minimum wage and inserting 5 new points into the scale. This falls within the national agreement and will be applied across local governments from 1st April.</p> <p>A paper was circulated to Board highlighting the new scales to be inserted. SO stressed that this will not cost the company additional money, however some employees may be adversely affected. To avoid this, SO is suggesting that we would ensure staff receive protection by applying any incremental rises on the old grade on 31st March before moving across to the new scale on 1st April.</p> <p>The company reserve is looking to retain its balance of 5%,</p>		
----	--------------	--	--	--

	<p>with no proposed changes to this.</p> <p>Community alarm charges have been frozen and we continue to offer discounted rates to residents of sheltered schemes. There is a recommended IHM increase of 2.5%.</p> <p>Area Panels have £20,000 allocated to them, however, uptake of the grant is less than half of this has been spent during the year. Despite this, a number of good initiatives are funded. We are recommending to freeze the budget and any unused funds are absorbed back into budget for general use. Grant funding was raised to £750 last year and we recommend no changes to this.</p> <p>The Housing Support service is funded by a separate grant through the SUSTAIN consortium and through IHM charges. The current contract expires at the end of March and new bids for this service have been made. The budget has been prepared on the basis that we are successful with this bid. If this is not the case, a new report will be brought to the next board meeting on 21st May.</p> <p>Managers submitted 16 potential growth bids, which were considered by SMT. Of those 16, 14 were approved by SMT and have been brought to the Board for consideration. They are all affordable, and overall are looking to commit £230,000.</p> <p>The HRA summary has been attached for noting along with the capital programme. The new build programme this year was stalled due to inability to secure the purchase of land at Weston Rhyn. We are hopeful that this will progress next month.</p>		
--	---	--	--

	<p>The Board approved and noted the following recommendations:</p> <p class="list-item-l1">i) No amendment to the Management Fee for increasing service pressure or the implications of Welfare Reform is requested at this time.</p> <p class="list-item-l1">ii) In accordance with the results of the triennial review undertaken by the Pension Fund Actuary during 2016, the employer's contribution rate remains unchanged at 14.6% for 2019/20.</p> <p class="list-item-l1">iii) a) The Company adopts the new National Joint Council (NJC) pay spine from 1st April 2019 and recognises 5 new spinal column points to be incorporated in to Grades 6, 7, and 8 as indicated on Appendix 2.</p> <p class="list-item-l2">b) Incremental progression for 2019/20 is based on the current pay spine prior to assimilation.</p> <p class="list-item-l2">c) Staff assimilate to the new pay spine in 1st April 2019 on the point equivalent to their current salary.</p> <p class="list-item-l2">d) Existing staff currently on spinal column points (SCP) 18, 19, 23 and 26 will progress through their grade in future years without recognition of the 5 new SCPs.</p> <p class="list-item-l2">e) All grades above Grade 9 will subject to a 2% uplift from 1st April 2019.</p> <p>iv) The level of general reserve for the Company is maintained at 5% of turnover (equivalent to £415,000 for</p>		
--	---	--	--

	<p>2019/20).</p> <p>v) Charges for services directly provided by the Company listed in Appendix 3 are approved.</p> <p>vi) The two Area Panels are each allocated discretionary budgets of £20,000 for Community Grant applications in 2019/20. Any underspend against these budgets at 31st March 2020 is returned to general balances.</p> <p>vii) The pre-Service Development Budget for 2019/20 shown in Appendix 4 is approved.</p> <p>viii) Service Development Proposals recommended by the Senior Management Team (reference numbers 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 13, 14, 15 & 16 on Appendix 5) are approved for inclusion in the 2019/20 and 2020/21 Budgets.</p> <p>ix) Subject to approval of the preceding recommendations, an amount of £800 is allocated to the central training budget in 2019/20.</p> <p>x) The 3-year budget forecast shown on Appendix 7 is noted.</p> <p>xi) In the event that the Sustain Consortium is unsuccessful in securing the provision of Housing Support Services from 1st April 2019, a report and revised Budget will be presented to the Board at the meeting scheduled for 21st May 2019</p> <p>xii) The draft Housing Revenue Account (HRA) 2019/20</p>	
--	---	--

		<p>for Shropshire Council attached as Appendix 8 is noted.</p> <p>xiii) The Proposed HRA Capital Budget for 2019/20 attached as Appendix 9 is noted.</p>		
6.	Annual Action Plan & Performance Indicators 19/20	<p>The AAP is not as extensive as it would normally be, as a lot of activity identified is awaiting the outcome of the options appraisal process. There are still plenty of service improvement activity to be carried out.</p> <p>Performance Indicators and targets for 2019/20 have been developed following extensive discussions with Tom Dodds, the Council's Performance Manager and the Client Officer, Nick Wood and in discussion with the Chair. These have also been considered by the Asset Assurance Board. In addition to the indicators that relate to the management agreement, there are a number of indicators that are for STAR Board to monitor.</p> <p>The Board noted the contents of the Annual Action Plan 2019/20 and agreed the Key Performance Indicators for 2019/20.</p>		
7.	Review of Governance Guide, Board Code of Conduct and Selection, Recruitment & Performance Assessment of the Board	<p>The policies, the Recruitment, Selection and Performance Assessment of Board Members and the Board Code of Conduct were approved in February 2016 and July 2018 respectively and have been reviewed with some changes being suggested.</p> <p>The Board would like to amend the Recruitment, Selection and Performance Assessment of Board Members as follows:</p> <ul style="list-style-type: none"> • 2.4.1; the complaints process notes that an independent person may be involved. SA will clarify this and will use the wording from the management 	Amend point 2.4.1	SA

		<p>agreement regarding arbitration process and will add as a footnote.</p> <ul style="list-style-type: none"> 3.5; notes that the chair will not normally be part of the conduct panel. SA to take out the word normally. <p>The Board approved the following recommendations subject to the above suggested changes:</p> <ul style="list-style-type: none"> Approve the Recruitment, Selection and Performance Assessment of Board Members at Appendix 1 Approve the Board Code of Conduct at Appendix 2. Approve the revised STAR Housing Governance Guide at Appendix 3. 	Amend point 3.5	SA
8.	Communications Strategy	<p>MWH and NS joined the meeting to look at what was achieved from the Communications Strategy for 2018-2019 and to then consider the proposed Communications Strategy for 2019-20.</p> <p>The presentation highlighted the increased presence and engagement through social media and looked at key communications projects such as the launch of the new website and tenant portal.</p> <p>The Board approved the Communication Strategy and Action Plan felt it was a joy to have this on the table.</p>		
9.	Equality & Diversity Strategy & Action Plan	<p>CA joined the meeting to discuss the reviewed Equality & Diversity Strategy and Action Plan.</p> <p>The action plan was reviewed at the Board meeting in</p>		

		<p>November. It was agreed to refresh the strategy and update the action plan. A lot of completed actions are now business as usual and so have been removed.</p> <p>At the November meeting MW had talked about the E&D surveys of board members, staff and tenant – the company had taken a view in light of GDPR that we should not be collecting and holding this information as there was no justifiable reason to do so. We do hold certain information on protected characteristics and could easily provide this data if asked to do so. If there were any changes to statutory requirements or a justifiable reason for STAR to collect any further data then a survey would be carried out at the time.</p> <p>The Board approved the Equality & Diversity Strategy and Action Plan.</p>		
10.	Area Panel – Results of Repairs & Maintenance Scrutiny	<p>Members of the area panel carried out scrutiny work on the repairs service last year. The report raised some further issues so MWH and ST met with the members to carry out some further works and to agree the presentation which is being presented to Members today.</p> <p>The scrutiny team looked at current practices, customer satisfaction, policies and processes and repairs categories.</p> <p>Findings identified increased satisfaction with the in-house repairs service and contractor although there is still work to do with the contractor to improve this even more.</p> <p>There were key themes identified such as completing the job right first time, being offered an appointment at first point of contact, customers having to chase up outstanding repairs and the time taken to complete jobs.</p>		

		<p>This led to a number of recommendations by members that STAR are looking to implement that were outlined to the Board.</p> <p>There are projects that were identified and have already been implemented to help improve the repairs service. These are seen as quick service wins such as reducing the amount of follow on jobs, creating fit for purpose van stocks, new ways of working to achieve efficiency gains and trades attending initial inspections.</p> <p>The Board noted the contents of the presentation.</p>		
11.	Q3 Budget	<p>TD introduced the budget monitoring report for Q3. Reporting a favourable variance £209,000 for the year, with the caveat that budgets will be closely monitored for the remainder of the financial year.</p> <p>There are some overspends on overflow contractors, vacancies within the teams have contributed to this.</p> <p>It was noted the Community Chest expenditure is fairly balanced within the two areas, and this has been promoted more heavily in the areas.</p> <p>The Board noted the contents of the Q3 monitoring report.</p>		
12.	Q3 Performance	<p>JOW introduced the Q3 performance reports, with a focus on any items in the Management Agreement report that did not achieve target and not within tolerance:</p> <ul style="list-style-type: none"> • Average relet times; there has been a slight 		

		<p>improvement of approximately ½ a day and we continue to monitor this.</p> <ul style="list-style-type: none"> • Rent loss due to empty properties; this % improves as the year goes on and we anticipate hitting the target by the end of the financial year. • Non-decent homes; this has improved since the last quarter and there are no concerns around this target. • No of properties with a SAP score of 35 or less; slight improvement here. Staff are attempting a different approach to tenant refusals, however, there are limited options if a tenant is adamant they do not want the works carried out. These properties will meet minimum standards in the event of refusals and there are no issues legally with tenants not having the work done. <p>The Board thanked JW for the presentation and noted the contents of the report.</p>		
13.	Development Subcommittee Minutes	<p>JW outlined the minutes of the Development Subcommittee meeting.</p> <ul style="list-style-type: none"> • Baptist Chapel is well underway, although is approximately 12 weeks behind. It is anticipated this will catch up, however this is being monitored by the Development Manager. Considerate construction contractors are on site. • Work at Bowling Green Lane has started. • Weston Rhyn; hoping report will go to Cabinet on 20th March. Sellers are getting a bit frustrated at the time taken for this to be resolved due to delays at the Council. <p>The Board noted the contents of the minutes.</p>		

14.	Finance, Audit & Risk Subcommittee Minutes	<p>JW outlined the minutes of the FAR Subcommittee meeting.</p> <ul style="list-style-type: none"> • There were no concerns with Health & Safety and STAR has an excellent accident record. • Assessed to NICEC standards – the Board would like to thank Owain Ellis for his contribution. • Fire Safety; Carrie Owen is doing a very good job for STAR and is excellent with tenants. JW has been out on visits with Carrie. • One internal audit has been completed to date – Governance received a good assurance level with no recommendations being made. Internal Audit have a plan in place for the rest of the year • Noted that the 1% rent cut is in its last year. • The Board discussed the implications of GDPR. STAR Housing would prefer members to have equipment and email addresses. This will be further explored at the next Board meeting. 	<p>Thank Owain Ellis on behalf of Board.</p>	MS
-----	--	--	--	----

ITEMS 15 – 18 EXEMPT FROM PUBLIC DISCUSSION