



## Minutes of Meeting

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

**Meeting Location:** **Shrewsbury Football Club, Arthur Rowley lounge, Shrewsbury**

**Date and Time:** **26<sup>th</sup> February 2020**

Members present:

Chair – Simon Harris (Shropshire Council) SH  
Ann Maltby (Tenant) AM  
Mark Jones (Shropshire Council) MJ  
Charlotte Parry (Tenant) CP

Emma Jones (Staff) EJ  
Richard Grounds (Independent) RG  
Paul Kelly (Shropshire Council) PK

Non-Members  
Present:

Sue Adams (STAR) SA  
Teresa Dagnall (STAR) TD  
Jo Williams (STAR) JWI  
Jamie Burns (Shropshire Council) JB  
Martin Whitelegg (STAR) MW

Steve Ogram (STAR) SO  
Lané de Vries (STAR) LDV  
Angela Douglas (STAR) AD  
Claire Allen (STAR) CA  
Nigel Wilson (STAR) NW

1.	Apologies	<p>SH opened the meeting and welcomed everyone to the meeting.</p> <p>Apologies were received from:</p> <ul style="list-style-type: none"> <li>• Nicki Barker</li> </ul>		
2.	Declaration of Interests	<p>The Board were asked if they had any interests to declare on any items on the agenda.</p> <p>EJ declared an interest in Item 8</p>		
3.	Minutes from STAR Board Meeting 26 <sup>th</sup> November 2019	<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 previous Board meetings were circulated for information.</p> <p>Matters arising report circulated &amp; all actions completed.</p> <p><b>There were no further matters arising.</b></p>		
5.	Sheltered to Independence Living Report	<p>MW outlined that this was discussed initially in the report to Board on September 17<sup>th</sup> and further questions were asked that are addressed in the report that we are discussing today.</p> <p>PK asked about the Communication plan on Pg. 3 which has been developed and rolled out from this month. MW said the plan has been rolled out and positive feedback received from tenants affected. We have done a series of coffee mornings to find out from tenants their thoughts.</p> <p>Q: What if a tenant does not want it? MW said we focused discussion on Greenfields court where a higher charge was discussed with all the</p>		

	<p>tenants. All but 3 tenants were on HB. All those tenants on HB were happy to agree to the increase in charge. Of those not on HB 2 of the 3 tenants said they are happy to pay the extra charge and one tenant did not respond.</p> <p>Q: RG asked about Improvement work? MW said it included floor coverings, decorating and kitchen services will be upgraded. A room will be created for uses like mobile hairdressing/consultation room. Once decorated it will create a much nicer environment for all tenants. The costs are estimated at £120,000. Works will commence from April 2020, onwards.</p> <p>Q: RG asked about Letability? MW said this has never been a problem in turning the properties over. We are going to make sure going forward that tenants are able and willing to pay and falls within the criteria to be able to be considered. The amount is a regular and fair amount in line with what we are offering.</p> <p>Q: EJ asked about whether there is any new assessment criteria? MW said that there is no new assessment criteria and will still be assessed as per our other assessment criteria.</p> <p><b>The Board noted the contents of the report and approved the following recommendations:</b></p> <ul style="list-style-type: none"><li>• <b>Change the name of Sheltered Housing to an 'Independent Living Community'.</b></li><li>• <b>Approve the creation of an 'Enhanced Independent Living Community' at Greenfields Court in Bridgnorth.</b></li></ul>	
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6.	Business Plan 2020/24	<p>SA noted that the draft Business plan has been made as user friendly as possible. We have discussed the principles behind the plan. SA worked on the detail of the plan in conjunction with SH and PK and stakeholders, staff, tenants and key personnel at the Council and members were circulated a draft some time ago for any comments to be incorporated.</p> <p>It may be slightly amended before going live in the section on local issues if there are changes to the draft Housing Strategy.</p> <p>The contents are:</p> <ul style="list-style-type: none"> <li>- Message from chair – This section offers a little bit of a backwards look of where we were and where we want to be (going forward).</li> <li>- Vision and values – previously agreed with the Board and continue to use our vision and values from our previous Business Plan</li> <li>- STAR approach – our approach to customer service.</li> <li>- STAR Housing in numbers – This sets the scene of our current delivery.</li> <li>- A few pages to discuss our achievements – this is an opportunity for our stakeholders to see what we have done to date.</li> <li>- The National Policy Procedure – some key announcements following the election was discussed in this section of the document.</li> <li>- Local Policy picture – Headings within this section are the objectives that will be within the Council's Housing Strategy.</li> <li>- Resources –SO worked on this and more detail is developed in the Budget report, Item 8.</li> <li>- Operating Principles – helping people understand where we are and principles about how we deliver our services.</li> <li>- The strategy section – divided into three parts; our people, Excellent service delivery &amp; Innovate and grow (using our resources as effectively as possible).</li> <li>- Monitoring our Strategy – reviewing the performance measure. This has been a process of consultation with our key stakeholders.</li> </ul> <p>Q: PK had a question about energy efficiency, pg8: SH said the issue we</p>		
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		<p>will have as a STAR Company is that innovation is still too expensive. Triple insulation properties – are very expensive but, we have significantly improved the energy efficiency of our stock going from a SAP rating of 65.30 in 2016 to 67.75 by March 2019 in our on-grid properties SA said we do look at funding available and implementation schemes and try to find a balance. SA said we believe we have got the balance right. We try to take a measured approach to this</p> <p><b>The Board noted the contents and the Business plan was approved by the Board.</b></p>		
7.	Annual Action Plan 2020/21 & Performance Targets 2020/21	<p>SA introduced this item. This item follows on from Business Plan. The AAP is the delivery plan for the Business Plan for 2020/21. The PIs reflect the format in the Business Plan and the delivery plan and target PIs are agreed with the Council. Both plans have been discussed with the Council's client officer, Jamie Burns and Tom Dodds and they are happy with what we are planning for next year.</p> <p><b>The Board noted the contents and are happy to approve the Annual Action Plan 2020/21 &amp; the Performance Targets for 2020/21.</b></p>		
8.	Budget 2020/21	<p>The recommendations for Company Budget and housing revenue account for the next Financial Year.</p> <p>Main body of report: The Budget has been prepared in accordance with the framework and guidelines laid out in the Budget Strategy that was approved by the Board in November.</p> <p>Main parts:</p> <p>4.1 The Management Fee is the main source of income to STAR and funds the majority of the Company's day to day activities. The inflationary uplift (schedule 5 paragraph 2.1) is determined by the September 2019 Retail Price Index (RPI) which stood at 2.4%.</p>		

	<p>4.2 As members of the Local Government Pension Scheme we are subject to triennial reviews that determine the level of Employer's contribution rates and the latest one was undertaken during the 2019/20 financial year by the independent fund actuary. The new employer's contribution rate from April 2020 will increase to 18% and apply for 3 years to 2022/23.</p> <p>The key factors in setting the Company's annual pay award are laid out in our Pay and Reward Policy, these include:</p> <ul style="list-style-type: none"> <li>• NJC settlements</li> <li>• Shropshire Council settlements</li> <li>• Level of Inflation</li> <li>• Government Policy</li> <li>• Affordability</li> <li>• National policy</li> </ul> <p>In previous years we have followed the NJC settlement as it addresses most of our considerations. At the time of setting the 2020/21 Budget the national negotiations were ongoing, but in light of the Employer's side offer of a 2% increase to all pay bands it was recommended that we apply that level of increase from 1<sup>st</sup> April 2020 and continue to monitor future developments. In the event that the national settlement creates disparity between the Company's pay spine and the NJC spine. A further report will be brought to the Board.</p> <p>The charge in respect of recovery of cost incurred by us resulting from a missed appointment due to the tenant not being at home has been amended to recognise that these costs will arise from missed appointments of sub-contractors as well as our own operatives.</p> <p>Grant received to help fund the Housing Support Service will be subject to a 14.2% cut from April 2020. We have implemented a number of measures, including an increase in the IHM charge, to ensure that we can</p>		
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	<p>continue to deliver the current level of service to our tenants despite this cut in funding.</p> <p>Subject to the recommendations made, the base budget identified headroom of £22,790 which is available to fund recurring Service Development opportunities. Subsequently the Board approved base budget Service Development Proposals totalling £21,920 and one-off proposals totalling £356,140 to be funded from reserves.</p> <p>The 3-year budget projection indicates that, based on current assumptions and projections, the Company remains financially stable.</p> <p>It was noted that the HRA has been prepared on the basis that following 4-years of successive 1% cuts, rents will increase by 2.7% on 6th April 2020. In February 2019 the Government issued a “Policy statement on rents for social housing” which required that from April 2020 local authority rents would be subject to the rent standard for social housing providers that had previously only applied to housing associations</p> <p>The budgeted HRA deficit for the year of £2,433,170 arises as a result of a planned use of the HRA reserve to finance the new homes building programme and contribute to expenditure on planned repairs. Application of these funds would leave an estimated balance of £5.9m in the reserve at March 2021 – this reserve is available to finance future capital works such as planned repairs, estate regeneration and new homes building.</p> <p>Capital Strategy that will be considered by the Council at the budget meeting on 27th February will identify potential funding to support an increased new homes building programme.</p> <p>Questions:</p> <p>Q: PK asked about The community chest fund – Can we raise the maximum grant limit to £1,000? SO replied that we could in terms of</p>		
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	<p>affordability but so far there has been no evidence of need from applicants and many grants requested are below the current maximum level of £750. We will continue to monitor applications and would consider raising the limit in response to demand.</p> <p>Q: RG asked about Growth bids – RG said he thinks we are doing the right thing with software development. Also investing in the stock to uplift Greenfields court and Wrekin Road. SO said some of the changes are necessary but some are an enhancement. MW said these places will benefit from the extra work.</p> <p>Q: RG asked how we would fill Land Buyer position. SO said we are exploring any opportunities but the initial thoughts are that this will be on a commission basis.</p> <p><b>The Board noted the contents of the report and was happy to approve the following recommendations:</b></p> <ul style="list-style-type: none"> <li><b>i) No amendment to the Management Fee for increasing service pressure or the implications of Welfare Reform is requested at this time.</b></li> <li><b>ii) In accordance with the results of the 2019/20 triennial review undertaken by the Pension Fund Actuary, the employer's contribution rate will increase to 18% for 3 years from April 2020.</b></li> <li><b>iii) a) All pay grades are subject to a 2% uplift from 1st April 2020.</b></li> <li><b>b) If the final NJC settlement creates disparity between our pay spine and the National Agreement, a further report will be brought to the Board to identify proposals to achieve realignment.</b></li> </ul>		
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	<ul style="list-style-type: none"> <li>iv) The level of general reserve for the Company is maintained at 5% of turnover (equivalent to £450,000 for 2020/21).</li> <li>v) Charges for services directly provided by the Company listed in Appendix 2 are approved.</li> <li>vi) The two Area Panels are each allocated discretionary budgets of £20,000 for Community Grant applications in 2020/21. Any underspend against these budgets at 31st March 2021 is returned to general balances.</li> <li>vii) The pre-Service Development Budget for 2020/21 shown in Appendix 3 is approved.</li> <li>viii) Service Development Proposals recommended by the Senior Management Team (reference numbers 1 to 13 on Appendix 5) are approved for inclusion in the 2020/21 and 2021/22 Budgets.</li> <li>ix) Subject to approval of the preceding recommendations, an amount of £870 is allocated to the central training budget in 2020/21.</li> <li>x) The 3-year budget forecast shown on Appendix 6 is noted.</li> <li>xi) The draft Housing Revenue Account (HRA) 2020/21 for Shropshire Council attached as Appendix 7 is noted.</li> <li>xii) The Proposed HRA Capital Budget for 2020/21 attached as Appendix 8 is noted.</li> </ul>	
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9.	<p>People Strategy</p>	<p>CA introduced the report. Last year as the options appraisal was still ongoing the Board approved a refresh of the existing 2017-19 strategy and actions for a further 12 months. This year with the implementation of the new Business Plan for 2020-2024 the Strategy has been reviewed and updated to reflect the key strategic areas for action for 'Our People' set out in the business plan.</p> <p>The Business Plan recognises that the services that we provide are only as good as the people who deliver them and one of the operating principles is that we will support and invest in our people.</p> <p>Strap line used is Great people Deliver Great Services. The overarching aims set out in the People Strategy mirror those set out in the Our People strand of the business plan:</p> <ul style="list-style-type: none"> <li>• Our people directly delivering our services</li> <li>• Recruiting and retaining the best people in the organisation</li> <li>• Being the best leaders that we can be</li> <li>• To embed our commitment to Learning and Development</li> </ul> <p>The action plan has been revamped to reflect the new aims and the performance indicators align with the Business Plan.</p> <p>In drafting the strategy, we have consulted with the Staff Forum, their feedback has been incorporated. They asked that on the job shadowing opportunities for staff are included in the action plan, which we have done. We also added two further PIs about job shadowing.</p> <p>The Strategy will be implemented in line with the Action Plan, and will be reviewed periodically to assess progress against set objectives and agree future priorities.</p> <p>Questions:</p> <p>Q: RG asked what is going to be the biggest challenge? CA answered that</p>		
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		<p>the biggest challenge will be to get the succession plan right going forward.</p> <p>Q: SH asked whether you think it will help the fact that we are expanding our labour force? CA answered; definitely and SA mentioned we are also looking at increasing our Apprenticeships which we can do if we have more staff to support them.</p> <p><b>The Board noted the contents of the report and was happy to approve</b></p>		
<b>Performance</b>				
10.	Q3 Budget 2019/20	<p>Quarterly finance report was presented by Teresa Dagnall.</p> <p>Key points</p> <p>On course to deliver an under spend for the year of £260k. Budgets will be monitored very closely for the remainder of the year.</p> <p>Appendix 1 – summary and variances- mainly because of vacant posts in the Repairs &amp; Maintenance and Neighbourhoods areas and we have managed to recruit the majority of those posts. Expenditure on contractors will reduce with new staff coming on board</p> <p>Appendix 3 – HRA projected outturn - We have also reduced the projected revenue contribution to capital (£1.7m) in the current financial year which can be explained by slippage in the Capital programme and delays in progressing the purchase of the site at Weston Rhyn. We also have a favourable variance on rent income due to 2019/20 being a 53 week year (rent chargeable over 49 weeks).</p> <p>Questions:</p> <p>Q: MJ asked what the hold-up is at Weston Rhyn? SO said it is to identify the drainage solution. Looking at the infrastructure around that area.</p>		

		<p>Diverting the fowl water. Also keeping the current flooding in mind as the site needs to be able to handle any severe solutions.</p> <p><b>The Board noted the contents of the report as presented by Teresa Dagnall</b></p>		
11.	Q3 Performance	<p>JW introduced the Q2 Performance Report:</p> <ul style="list-style-type: none"> <li>• A1i – Average time to Relet Voids (General &amp; Major) – Just falling outside of tolerance. Same time last year was 39.36 days. Q2 lets included more Major Works properties.</li> <li>• A1ii – Rent Loss due to void properties as % of Rent Due – As the years rent roll increases, the % rate improves. Decrease from this time last year (2.34%).</li> <li>• A2iii – Former Tenant Arrears as % of Rent Due – As the years rent roll increases, the % rate improves. Quarter 1 stood at 2.61%</li> <li>• C1i – % of Non-Decent Homes – A total of 53 properties have newly arising needs. All added to programme of works to bring the properties back up to standard.</li> <li>• A4i – % of ASB cases resolved successfully – Lower number of cases. 23 of 24 resolved successfully.</li> <li>• A4iii – Customers registered to access online services (as % of total properties managed) – New indicator for 19/20. Previously measured any digital access, now relates to online Portal users. Continuing promotion via social media and Resident Involvement Team at Pop Up events etc. 20 New sign ups during Quarter 2 (total now 251).</li> </ul> <p>Questions:</p> <p>Q: MJ mentioned that drugs seems to be a big problem. MW referred to cuckooing in Oswestry where we have worked closely with the police. The staff that dealt with it did it so well that they actually got an award for it. It is</p>		

		<p>always there but our officers are working with police so it doesn't become a bigger problem.</p> <p>Q: MJ asked whether we should make tenants more aware that if they approach us in reporting any suspicious behaviour that allows us to deal with it quicker. MW said we have put it in the last tenant newsletter and we advertise it on our website. AD said we also encourage our repairs staff to report anything they think is suspicious.</p> <p><b>The Board noted the contents of the report.</b></p>		
12.	Finance, Audit & Risk Subcommittee 20.01.20	<p><b>John Wood.</b> SH outlined on behalf of the Board how sad it was that our respected Board Member had recently and suddenly passed away. It was noted what an asset John was to STAR Housing taking an active role as the Chair of FAR and the Health and Safety Group and getting involved in a number of activities at STAR Housing. He will be sorely missed. SO added he, along with Angela Douglas, Teresa Dagnell, Claire Allen, Mel Smith, Angela Douglas and Board Member Nicki Barker had attended the funeral. A donation on behalf of STAR Housing of £100 was made to Morgan Woods chosen charity Severn Hospice.</p>	<p>As there was a situation that needed to be discussed under exempt items, item 12 was moved to exempt items.</p>	
13.	Development Subcommittee 04.02.20	<p>RG introduced the report. Noted that the Baptist chapel scheme has now been completed. Brings with it a huge improvement on the state of the buildings as it was before. Also the Albrighton scheme.</p> <p>Noted that acquisition of the site in Weston Rhyn is pending resolving the drainage problems. In relation to the land buyer as discussed in the budget report privately sector land opportunities are probably the way forward.</p> <p><b>The Board noted the contents of the report</b></p>		