

Minutes from Board meeting - Non-Confidential held 31st January 2024

Attendance	Martin Surl (MS) (Chair), Christine Gore (CG) (Vice Chair), Cllr Glenn Andrews (GA), Trish Blain (TB), David Clowes (DC), Sarah Godfrey (SG), Ian Mason (IM), Cllr Richard Pineger (RP), Andrew Parfitt (AP), John Rawson (JR), Arthur Dzido (AD), Stafford Cruse (SC), Caroline Walker (CW), Adam Waller (AW), Cllr Victoria Atherstone (VA), Gareth Edmundson (GE), Paul Leo (PL), Julie McCarthy (JM)
Recorder	Rhian Watts (RW)
Apologies	None
Quorate?	Yes

Item	Notes	Action for
1	<p>Meeting commenced at 17:30</p> <p>No apologies received.</p> <p>No declarations of interest.</p> <p>MS noted that he had reached a verbal agreement with Councillor Rowena Hay (RH) (Leader of Cheltenham Borough Council) that AP should be appointed as an Independent Non-Executive Director. He confirmed that a formal report would be brought to Board in February recommending the appointment with payment to be backdated to 1 January.</p> <p>ACTION – Schedule a Board report recommending the appointment of AP as an Independent Non-Executive Director</p>	RW
2	<p><u>CBH transition progress update (Verbal)</u></p> <p>Please see confidential minutes.</p>	

3	<p><u>Confirmation of Written Resolution – Termination of Executive Director’s employment with CBH (Verbal)</u></p> <p>Please see confidential minutes.</p>	
4	<p><u>Termination of the employment of CBH Chief Executive</u></p> <p>Please see confidential minutes.</p>	
5	<p><u>CBH Senior Leadership Interim Arrangements</u></p> <p>Please see confidential minutes.</p> <p>JM left the meeting.</p>	
6	<p><u>Agree confidential minutes of the 29.11.23 meeting</u></p> <p>Please see confidential minutes.</p>	
7	<p><u>Agree non-confidential minutes of the 29.11.23 meeting and to note progress on current action points</u></p> <p>The Board agreed the non-confidential minutes of the 29.11.23 meeting as a true record and noted progress on current action points.</p>	
8	<p><u>Final CBH budgets and performance targets 2024 – 2025</u></p> <p>AD introduced the report and noted that the Board had previously reviewed a draft in November. He highlighted that a number of adjustments had been made to reflect changes in circumstances as follows:</p> <ul style="list-style-type: none"> • Rent has been increased from the projected 7% to 7.7% in line with the HRA leading to an increase in rents of £5k for CBH properties • The disposal of the 7 Gresham Court properties is now not expected to be completed until the end of Q2 so the costs for 	

void council tax, service charges and limited repairs has been added to the budget at £17k

- Review of data relating to voids from November to January had seen a number of additional voids and more major voids, this will have implications for the HRA rather than the CBH budgets

AD highlighted that the overall change to the CBH budget is a £12k increase to the deficit which it is proposed will be covered by the CBH reserves. He explained that current CBH reserves are significantly higher than the minimum required and is sufficient to cover the projected £36k deficit. AD noted that the current budget does not cover any transition costs at the current time. He confirmed that this had been discussed with the S151 officer. AD highlighted that Board were being asked for approval with a view that they will be made aware of the additional transition costs in the future.

TB asked whether the rent increase of 7.7% was higher than normal and raised concerns that this will be a challenging increase, particularly for elderly or vulnerable residents. AD confirmed that this increase was in line with government policy and HRA properties. He explained that as part of the HRA budget the impact on tenants had been reviewed. SC noted that state pension is expected to increase by 8.5% this year and the Local Housing Allowance (LHA) will be adjusted by government to increase by between 14 – 18%. He explained that this will cover the increase in rent for the majority of tenants.

JR agreed that the use of the CBH reserves to fund transition costs was a sensible approach. He raised concerns that these adjustments were expected to be “significant in nature and value” but that we had not been able to quantify them at this stage. AD explained that it was not possible to create a budget without the transition plan being developed. GE commented that whilst most of the transition costs will be one offs and will be brought to Board once they have been understood. He highlighted that these costs will be offset in the long term by the £2m in efficiency savings predicted in the cabinet report, which will provide more choice for tenants on where money is invested. IM asked where costs relate to the transformation of systems whether these would be

charged to CBH reserves, CBC or the HRA budgets. GE explained that this decision would lie with the S151 officer. He noted that there may be one off costs on both sides but that we will be working to secure opportunities for joint efficiencies and economies of scale.

DC asked for further details on the reasons behind increased budget for works on acquired properties. SC explained that cost is dependent on the nature of the work and a range had been identified with a maximum of £30k. He highlighted that the average cost for a major void is £15.5k, so an estimate of £20k had been put in place to ensure that we are able to cover the work. VA asked whether the cost was higher due to the speed required to secure funding in the timeframe for the Local Authority Housing Fund (LAHF). AD confirmed that the majority of properties were major voids, but that care had been taken to choose acquisitions within the range we were able to afford.

MS asked for assurance that tenants at Gresham Court had been provided for. CW confirmed that this was the case.

AW introduced the KPI targets and noted that one change has occurred since the draft presented in November. He highlighted that this is due to changes in how complaints are calculated, which now includes disrepair.

IM noted that the commentary confirms that performance is improving on % of emergency repairs completed within target due to improved quality of data. He asked whether this was connected to the provision of data from contractors completing the work. AW confirmed this was the case and noted that Responsive Repairs are working closely with contractors to ensure efficient communication.

MS asked whether we had any further insight since previous discussions on issues with communal areas. AW confirmed that he has been working with Mark Way (MW) (Head of Building Services) to analyse data on this issue and understand locations and whether it is single or widespread issues, which will be shared with the Repairs and Maintenance team. CW commented that TSIP has also carried out a

	<p>joint scrutiny on communal areas with colleagues which will be brought to Board in April.</p> <p>The Board:</p> <ol style="list-style-type: none"> 1. Approved the rental increase of 7.7% for CBH owned social rent, affordable rent, shared ownership and market rent properties and associated increases in service charges. 2. Reviewed and approved the final CBH budget and management fee requests to CBC for the financial year 2024/25 noting the assumption on which these are based. 3. Approved the strategic performance and satisfaction targets for 2024/25 	
9	<p><u>Formal Consultation on the HRA Budget 2024-2025</u></p> <p>SC introduced the interim budget proposals for the HRA and explained that these had been approved by Cabinet in December and 31 January was the final day for consultation. He highlighted that the budget reflects the aims and objectives set out in the HRA Business Plan. SC explained that the continuing challenges around inflation and interest rates will be covered by rent increases, providing a net zero change. He added that as inflation and interest rates increase, we will see an improvement and increase in the surplus. SC noted that there will be two or three minor changes between the draft and final budget around energy costs which due to fixed rates will provide lower charges for tenants.</p> <p>JR commented that this was a very positive budget that retains a commitment to the social part of CBC’s work including benefit and money advice, employment initiatives and work in the community. He highlighted that he was pleased to see a substantial increase over the next year for repairs and maintenance which reflects our increased focus on damp, mould, and condensation, increased asbestos management and regime for more regular inspections. JR stressed the importance of health and safety within the new regulatory framework. He highlighted that the report refers to transition savings of £1m to the General Fund but noted that no figure had currently been specified for</p>	

	<p>the HRA. SC commented that savings should show a positive benefit for the HRA and provide more room for investment, but that work was still needed to understand what these savins will be and how they are split between the two funds. GE confirmed that the efficiency savings would be generated through shared management, shared back-office software and adjustments to joining the two pension schemes. He noted that savings are likely to be more conservative for the HRA due to the impact of transition but that the ultimate target is to protect core services and enable reinvestment.</p> <p>TB asked whether money would be spent on updating branding, for example on our fleet. GE explained that no decisions would be taken that could be considered a waste of taxpayers’ money. He highlighted that we would use a minimal cost approach to identify that we are now a different identify, for example this may include use of stickers on vehicles. GE added that these decisions would be considered at the appropriate moment.</p> <p>The Board endorsed the HRA budget proposals for 2024-25.</p>	
10	<p><u>Financial Regulations, Anti-Money Laundering Policy, and Counter Fraud and Anti-Corruption Policy</u></p> <p>JR confirmed that the Financial Regulations and associated policies had been reviewed by the Audit & Risk Committee in November and had been recommended to Board, subject to review by the Counter Fraud Enforcement Unit. AD confirmed that this review had been carried out and no additional changes had been recommended.</p> <p>The Board approved the Financial Regulations, Counter Fraud and Anti-Corruption Policy, and Anti-Money Laundering Policy</p>	
11	<p><u>Establish a formal CBH Board Task & Finish Group and associated Terms of Reference</u></p>	

	<p>Board agreed that following the approval of the interim senior leadership structure, the CBH Board Task & Finish Group would no longer be required.</p> <p>Item was withdrawn from agenda as the CBH Board Task & Finish Group is no longer required.</p>	
12	<p><u>Updated 2023 – 2024 workplan</u></p> <p>AW explained that the report had previously been reviewed in November and at the request of the Board information had now been included to provide detail of what items had been removed from the workplan. DC agreed that the rationale given for the removed items made sense at the present moment. He suggested that these should be reviewed again in the future if CBH continues to exist. AW agreed and noted that a review of the 2024 – 2025 workplan had been scheduled for discussion by Board in February.</p> <p>The Board considered the revised workplan and approved it superseding the version approved in November 2022.</p>	
13	<p><u>Quarterly Finance Monitoring</u></p> <p>SC introduced the HRA management accounts as of the end of December 2023. He explained that we are forecasting a deficit on the operating account due to additional recharges from the General Fund due to the transition. SC highlighted that this would bring us below the deficit target and guidelines but that it will return above this target within the next budget. He added that we have seen a few changes in the capital programme due to roll overs into the next financial year around the warden call and sheltered schemes, and the reduced new build programme.</p> <p>SC introduced the CBH management accounts as of the end of December 2023. He noted that there is a lower deficit than budgeted due to vacancies and savings on insurance. SC highlighted that whilst the deficit forecast has not changed it is expected to change by year-end</p>	

	<p>due to transitions costs and increased costs related to the volume of major voids. He confirmed that this would be covered by CBH reserves.</p> <p>The Board noted the information provided in the report.</p>	
<p>14</p>	<p><u>Quarterly progress, performance and risk update at the end of quarter 3</u></p> <p>AW introduced the report and explained that it provides an overview of our current progress, performance and satisfaction and highlights particular areas of challenge.</p> <p>IM noted the target for numbers of downsizers moved and asked how this target was set and the process was managed. AW confirmed that a proactive approach is taken to setting the target to ensure we have understood trends, who is in what property and the property size. CW explained that an incentive scheme is in place to encourage the release of larger properties. She noted that downsizers tend to be high engagement tenants and colleagues are encouraged to look for opportunities to release these properties.</p> <p>DC noted that in the period we have seen 7 KPIs improve, 3 remain stable and 6 decline. He asked whether this was a particularly volatile period and might reflect serious issues. AW confirmed that similar changes are seen every month and do partly reflect the volatility of recent years but no major issues. He highlighted that the report reflects a specific point in time. AD noted that where major exceptions do occur these are highlighted within the report.</p> <p>CG thanked AW for the excellent report and his work carried out on behalf of CBH and the Board. She noted the importance of this work continuing following departure and the value it brings to the Board. The Board echoed her thanks and comments. AW confirmed that a period of handover was taking place to ensure that this work is continued. AD thanked AW on behalf of the business for all his hard work during his time at CBH.</p>	

	The Board scrutinised the content of the report and challenged it appropriately	
	<u>Additional Item</u> DC informed the Board that he would be stepping down from the Board at the end of the Financial Year to pursue personal interests. JR highlighted his contribution to the Board over the last 7 years.	

Meeting Closed at 19:58

Signed.....*Christine Gore*.....
Vice Chair of Cheltenham Borough Homes

Date.....*28/2/24*.....

