


Strategic Topic
Substantive Items
Committee Reports
Items below this line are for receipt and/or approval, without discussion
Closing Items
SOLIHULL COMMUNITY HOUSING
BOARD MEETING

 Monday 7 June 2021 at 6.00 pm
 Endeavour House - Meriden Drive, Kingshurst

AGENDA

Ref	Item	Purpose	Lead	Report Type	Report Classification
1	Chair's Welcome and Introduction (including any changes in membership following full Council 18 May 2021)				
2	Apologies for Absence				
3	Declarations of Interest				
4	Minutes of the meeting held on 29 March 2021				
5	Action Log				
6	Chief Executive's Update (including SMBC Clienting Framework)	Fiona Hughes – Chief Executive			
7	Self-Assessment Dashboard	Kevin Bennett – Executive Director of Customer Service Transformation and Business Support			

8	Annual Risk Management Report - CONFIDENTIAL	Oliver Dodds – Audit Manager SMBC			
9	Digital Strategy Report	Kevin Bennett – Executive Director of Customer Service Transformation and Business Support Paul Langham - Assistant Director Business Systems and Resources (SMBC)			
10	Quarter 4 2020/21 Health and Safety Report	Mark Pinnell – Executive Director of Assets and Development Mark Wills - Health and Safety Team Manager SMBC			
11	Financial Monitoring for Quarter 4 2020/21	Samantha Gilbert – Chief Financial Officer			
12	Quarter 4 2020/21 Performance Exception Report	Kevin Bennett – Executive Director of Customer Service Transformation and Business Support			
13	Annual Governance Review including Standing Orders - to include Committee Membership	Fiona Hughes – Chief Executive			
14	Petition - Redwood House	Surjit Balu – Executive Director of Housing and Communities			

15	Chair's Report from Housing Operations Committee meeting held on 17 May 2021	Chris Williams – Chair of Housing Operations Committee			
16	Forward Plan	Fiona Hughes – Chief Executive			
17	Any Other Business				
18	Review of Meeting				
19	Date of next Meeting - 21 June 2021 (single item agenda to approve Statutory Accounts), 27 September 2021 (includes AGM)				

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SOLIHULL COMMUNITY HOUSING BOARD MEETING – 29 MARCH 2021 MINUTES

Present: Richard Hyde (Chair), David Bell, Ben Burton, Diane Howell, Jenny Fletcher, Nigel Page, Patricia Smith (Vice Chair), Chris Williams, April Halpin

Officers: Fiona Hughes, Surjit Balu, Kevin Bennett, Samantha Gilbert, Mary Morrissey, Mary Moroney, Andy Duke, Niku Mawby, Barbara Griffiths

1. CHAIR'S WELCOME AND INTRODUCTION

The Chair welcomed members to the meeting and passed on the thanks and warm wishes to Patricia on her retirement from the Board. The Chief Executive gave a presentation giving the high-lights of Patricia's overwhelming contribution to SCH and in particular her care and consideration of both tenants and staff.

2. APPOINTMENT OF A NEW BOARD MEMBER

The Chair proposed the appointment of April Halpin and all Board members approved the appointment.

3. APOLOGIES FOR ABSENCE

Apologies were received from Louise Tubbs.

4. DECLARATIONS OF INTEREST

The Chair declared that he is a Trustee on the Governing Board of Warwick University although did not feel that this would present any conflict of interest. There were no other new declarations of interest.

5. MINUTES OF THE MEETING HELD 25 JANUARY 2021

The minutes were approved as a true and accurate record of the meeting.

DECISION **THE BOARD**

(i) APPROVED the minutes of the meeting held on 25 January 2021.

6. ACTION LOG

There were no outstanding items on the action log.

DECISION

(i) NOTED the action log

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7. CHIEF EXECUTIVE'S UPDATE

Fiona introduced the report pointing out the key high-lights of the report and drew members' attention to section 5 of the report which will be discussed in more depth as an agenda item later in the meeting. Section 6, Fiona confirmed that SMBC are currently carrying out a piece of work to better understand and improve the client monitoring of the ALMO led by internal audit. ELT are heavily involved in that and meeting regularly and contributing to the discussions and will share with the Board any significant outcomes in a future report.

Fiona drew members' attention to appendix B of the report which sets out the key objectives of the People Strategy which has been developed with input from staff and is a platform to build on the work SCH are committed to do to make SCH a great place to work. In terms of blended ways of working, we are working through formalising this plan but need to remind Board members that there are likely to be financial implications to this and this is included in the finance report later in the agenda.

Moving on to section 10 it is important to mention the key piece of work around the Asset Management Strategy. We are looking to develop a 5 year strategy to run from 2022, it is a significant policy which will include a review of decent homes and will be a shared strategy between SCH and SMBC. We are hoping to bring a report back to Board towards the end of this year.

Section 14 of the report focuses on the work around the deep dive review of the ASB service and this has shown an increase in ASB in the private sector as well as in the public sector. Members will recall that SCH has responsibility for cross tenure ASB and we are working with SMBC to review the delivery model for this. This key piece of work is still in the early stages and the Board will be updated on progress.

Fiona completed her overview of the report with section 16 Board and Governance and advised Members that we had been unsuccessful in recruiting an independent Board member and are now looking to appoint a recruitment agency to assist with this. Work around skills of the Board will be discussed at the next Recruitment Task and Finish group meeting and will consider the next steps once the recruitment agency has been appointed. It is likely that one of the barriers to recruitment is the issue of remuneration and we may or may not want to consider whether we formally approach the Council to consider remuneration of Board members; you will remember that our Articles do not allow for remuneration of any Board member other than the Chair. The Council would be required to approve any amendment to the Articles.

Fiona reminded Board members that the current Chair has almost completed the first 3 year term and we are in discussions with the Chair of the Human Resources & Remuneration Committee and Council to consider a possible second term.

Questions and comments arising:

Q. I would just like some confirmation that we are doing everything possible to maximise direct payments from benefits when a customer is eight weeks plus in arrears.

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A. We have robust automated processes in place to ensure this happens and direct payments have increased month on month. We can share the information with you outside of the meeting if you wish.

Q. Questions and responses have been sent and received prior to the meeting, I would just like to flag up that the high rise investment might be an issue if we then later decide to demolish some of those, we could be criticised for having invested those amounts. I also sought clarification on whether or not we routinely accept credit card payments to pay rent.

A. In terms of the spend to improve high rise blocks, I think it is something we have to do as it is around the building safety of the blocks and safety is of the utmost importance. Credit card payments are accepted rarely and only once there has been a number of questions to understand an individual's circumstances, and a referral to money advice is made where appropriate.

Q. I would like to understand your thoughts on how sickness has improved through Covid-19, we have historically had many conversations about how our sickness is above national average it seems that Covid-19 has resolved that ongoing problem.

A. Working from home has allowed people who are not feeling 100% to continue to work, albeit they may not be as productive they are still able to work. People may feel they can push through the day with some flexibility. It is something that most organisations report improvements on when staff work at home.

C. We currently have an effective Chair in place and we need to keep an eye on the skills matrix, if we are going to use consultants for recruitment we need to use them effectively.

DECISION

(i) NOTED the content of the report

8. FEEDBACK FROM THE BOARD AWAY DAY

The Chair introduced this report commenting that the self-assessment dashboard at 4.8 could be a helpful way of ensuring there is a continued consciousness from the Board in terms of the key strategic focus of SCH. We had lots of comments and feedback on the day and we are moving to try and get to a position where the improvements are felt by the customers. The Regulators and indeed SMBC expect high performance.

Kevin Bennett then high-lighted the key points of the report confirming that the purpose of the self-assessment and dashboard is to draw together the customer insight and for that to be visible. SCH has aspirations of being top quartile and change data and insight information will lead the continuous improvement required. The improvements are driven by the Government white paper and this dashboard firms up the future direction, it is important to understand how that translates from front line services to high strategic levels and the Board should

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see this through the dashboard. Fiona commented that it is essential that between ELT and the Board that we reach a consensus on how you would like the headline position to be reported and urged Board members to take up the opportunity to be included. It is also important to look at the comments made during the Board away day by Jonathon Cox from HouseMark.

Questions and Comments arising:

Q. We are currently monitoring 23 KPI's which is more than we would want, is there the potential for us to come up with Macro KPI's along the lines of % of maximum amount of revenue we can recover, this would capture standard rents, garage rents, void rent loss etc?

C. Data collection needs to inform change key service metrics column is very data driven, in terms of resident engagement that isn't just going to be SCH that influence that as there are other issues wrapped up in that such as Environmental issues.

A. Those are good points which we will take on board, this is the start of the process and we need to look at how we develop that and how we support and facilitate the right outcome for the Board in terms of reporting. We will obtain advice from HouseMark and take that into consideration too.

C. I would like to see something that will show whether we are on target or off target and what we need to do to move to where we want to be, something like a traffic light system.

A. If it would be useful we could organise a workshop with Jonathon from HouseMark to discuss the draft of our self-assessment and are happy to have Board member involvement in that. **Board members agreed this was an excellent idea.** It might be difficult to put the information in a dashboard, we might have to produce something separately.

C. When we do get as far as setting targets for what a Good Board looks like it would be good to take that to Housing Operations or full Board. It would be good to see how we compare as a Board to other ALMO's.

We probably need to have more detailed discussions with HouseMark to see how we capture that data and feed through to self-assessment.

A. When we have HouseMark comparable data it will make things easier, however our Strategic Vision is not always about numbers but is about people and we would like to reflect that through the dashboard. We want to continue to make positive changes for people and communities.

HouseMark benchmarking is really important as we mature our journey we will recognise our own opportunities to improve.

DECISION

(i) NOTED the content of the report

9. AFTER ACTION REVIEW – REDWOOD HOUSE FIRE

The Chair assumed everyone had had an opportunity to read the report and opened the meeting up for comments/questions:

Q. One of the issues appears to be an issue with information sharing between the NHS and SCH in terms of residents being discharged from hospital, is that just a GDPR issue? Are all the actions taken in item 6 across all high rise blocks or just specific to Redwood House?

A. In terms of the information sharing, it was more of a lack of awareness that there is always one single point of contact at every incident such as this, usually the fire officer, everything will be fed in to that person and it is about a co-ordinated response. The OOH duty officers have been advised of this.

The measures taken in item 6 are across all high rise blocks, there were some specific issues that are unique to Redwood and maybe two or three other blocks in that the dry riser doors were still painted red, despite the dry riser function having been disabled. The fire service on the night were not aware of that so opened those up expecting to be able to use them, they have since been re-painted to prevent this from happening in future.

Q. There seems to be an issue with the ‘Stay put’ message some people left the building and waited outside on the evening, what is the ongoing commitment to improve communication around this?

A. ‘Stay put’ is an emotive issue, post Grenfell we issued a number of safety bulletins, carried out a door knocking exercise to reassure residents and remind them of the ‘Stay put’ policy. There is an ongoing communication strategy to remind residents of the Stay put policy and reasons for it as part of the building safety work that will be carried out on all high rise blocks. However some people will always decide that they should leave and make up their own minds about this it is human nature but we will continue to try.

The Tenancy Sustainment team discuss the stay put policy as part of the sign up for new tenants and we are also working with Adult Social Care to streamline and strengthen communications following the incident.

C. I just wanted to applaud the after action review, one minor point can we decide what we want to offer in terms of storage for scooters, some people try to put them in the drying rooms but these are sometimes locked. If we are going to have a zero tolerance stance some people will struggle with storage.

DECISION

(i) NOTED the content of the report

10. EQUALITY, DIVERSITY AND INCLUSION

The Chair assumed everyone had had an opportunity to read the report and opened the meeting up for comments/questions:

No Questions.

DECISION

- (i) APPROVED** the Equality, Diversity and Inclusion Policy
- (ii) APPROVED** the Equality, Diversity and Inclusion Delivery Plan 2021-22
- (iii) NOTED** the report

11. DEVELOPMENT PROGRAMME PRESENTATION

Andy Duke gave a brief presentation to the Board members covering SCH Development including current sites, pipeline sites and the Kingshurst Village Centre.

Andy made reference to the fact that given the number of new developments and the speciality of the area of work, it was proposed to establish a development sub-committee or expert panel to act as a critical friend.

Questions/Comments arising:

Q. The development is all very positive, however I don't want to have another Committee for the sake of it, how would you measure the value of that Committee?

A. The proposal is under discussion and needs to add value, we will need to work out the terms of reference but generally the Committee would be able to look at risk and act as a critical friend as we move forward with the development. There will be decisions made following options appraisals for specific site and potential strategic development.

The Chair commented that there are numerous examples of Organisations who thought they understood Development which has gone badly wrong and left them exposed. There are some benefits of having early challenge and specialist knowledge.

Q. Really pleased to see we are moving forward and building in line with losses to Right to Buy, what happened to Greenhill Way development has it disappeared?

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A. No it hasn't disappeared it is just not in the immediate pipeline. The accommodation is still occupied and we have not yet had permission to engage in clearance. It is included in the Asset Management Strategy and an options appraisal is still there.

Q. Some shared ownership developments are not net zero, is net zero the best that can be achieved?

A. Some of the new builds were commenced in the planning stage way back in 2016/17 before net zero was within our remit. Net Zero is interesting, the Council are looking at Net Zero and these properties generate electricity, our monitoring should tell us whether we are close to carbon neutral energy which will offset carbon emissions. I recently did a presentation in respect of Faulkner Road and it appears that we are the only ALMO who have done anything like this build and attempted to go carbon neutral. We received a lot of praise and recognition, it is expensive but we have a clear commitment.

The Chair commented that he was very pleased with the progress and was extremely proud to be the Chair of an Organisation achieving these results.

DECISION

(i) NOTED the content of the presentation.

12. REVENUE & CAPITAL FINANCIAL MONITORING AND FORECAST 2020/21 – DECEMBER 2020 (QUARTER 3)

Sam introduced the report which takes account of financial performance up to December 2020, and drew members' attention to 3.1, in particular the three changes that have been made since the first Dashboard had been circulated in January 2021. The current forecast for revenue is an under spend of £160k and £1,014k on capital. Sections 4 and 5 of the report give more detail on the revenue and capital spend.

Sam high-lighted the information contained at 4.15 of the report which details issues around Biomass; within the last 12 months the contract with British Gas has come to an end and alternative contractors were put in place and we have since identified that we are not breaking even, all tenants' rent is subsidising these costs. Tenants are currently charged 9.98p per kWh and to continue with that rate would see an under recovery of £97k. There is a need to increase the cost to 15.49 per kWh but we accept that this is too significant an increase to put in one year and we are proposing implementing an increase over three years. An increase has the possibility to cause financial hardship but there are a number of support mechanisms available.

Section 9 of the report sets out some key projects that have the potential to impact on the 2021/22 budget and these are the Workflow project, the investment in software to support rent collection and the impact of the smarter ways of working project. Although this is not going to impact on this year's budget outturn it is important to know these initiatives are likely to have an impact financially going forward.

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Questions and comments arising:

Q. Item 9.1 the cost pressures, are they likely to be offset by potential savings we can make as a result of changes in the way we are delivering services i.e. Coppice Way, do we need it?

A. Yes we will have full visibility of the projects and costs and we are forecasting breaking even over a three year period. CPI rent impact in year three we are likely to be in a negative situation. It is important we factor outturn position as time moves on we will better understand the pressures and pinch points that require priority.

Q. I raised before the meeting that I am increasingly concerned about approving the Biomass charges, it appears that the Kwh cost is four or five times that of an ordinary property and I would like to better understand why the difference is so great.

A. Gas central heating is cost effective but not carbon friendly it is difficult to draw comparisons as the old storage heaters installed in the high-rises had to be replaced and at the time the grants available were considered and we went with the option of Biomass. We can change to pure gas but there would be a significant capital cost to that. The tariff needs to reflect the cost of providing energy and we have tried to obtain comparisons for this meeting. Once we have the comparison data we can come back with a more comprehensive answer.

C. I understand the need to be Green but not sure how comfortable I am with expecting tenants to pick up the cost when it is four times as much, there is a premium to be paid for green energy but not that much.

C. I wonder if it needs further investigation and consideration at Housing Operations Committee. Tenants didn't have gas central heating previously and the storage heaters were expensive to run, I remember tenants commenting how much they were saving with the Biomass compared to storage heaters.

C. Given that we are where we are with the Biomass heating system, looking at the bigger picture other tenants are current subsidising that system. We are all aware of fuel poverty and the issues around that, I want to know how we will communicate with tenants and be proactive in sign posting them for support.

A. It is good to have this debate and we are obviously listening to those concerns, it would be useful to bring back a much more detailed report to Housing Options Committee. We took the decision to make the investment to install Biomass, other tenants will continue to subsidise the cost of that if we cannot balance the cost and I accept it is a difficult decision.

The Chair confirmed that given the concerns of the Board members, the request for approval is not agreed this evening. More information is required and this will be considered at Housing Operations Committee, therefore the increase is potentially on hold accepting that there is a financial impact of £97k.

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DECISION

(i) **NOTED** the latest forecast to year end for the current financial year 2020/21

(ii) **NOT APPROVED** the increase in the Biomass tariff for 2021/22 of 1.83 pence (incl VAT) per Kwh from 9.98 pence to 11.81 pence per Kwh and that the remainder of the increase detailed in paragraph 4.16 be spread across 2022/23 and 2023 –**The Board asked for more information to be taken to the Housing Operations Committee before a decision can be made.**

(iii) **NOTED** the progress on delivery of 2020/21 planned savings

(iv) **NOTED** the current and forecast reserves position

(v) **NOTED** the financial implications identified to impact 2021/22 financial year

13. CHAIR'S REPORT FROM THE HOUSING OPERATIONS COMMITTEE HELD ON 22 FEBRUARY 2021

Chris gave an overview of the reports the Housing Operations Committee considered at their meeting on 22 February 2021. There were three key areas of discussions those being:

Homelessness – there continues to be lots of pressure on the service, generally 15-25% of homeless approaches are from evictions those have not happened for a while but will start up again soon. Gemma is predicting that the approaches will be spread out as the cases move through Court. The use of budget hotels is still high.

Climate Change – excellent progress is being made in this area.

Resident Engagement – the Committee looked at the approach so far and in particular the SCHape panel. Louise Tubbs has agreed to be the SCHape Board Champion, this is an opportunity for Board and engaged residents to meet and liaise. Louise is keen to get to know the panel better and as a result has signed up to take part in the training they are all currently doing.

DECISION

(i) **NOTED** the Chair's update

14. CHAIR'S REPORT FROM THE HUMAN RESOURCES & REMUNERATION COMMITTEE HELD ON 15 MARCH 2021

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Jenny gave an overview of the reports considered at the Human Resources & Remuneration Committee on 15 March 2021. There were four key areas the Committee considered, Equality and Diversity policy which has been approved at this meeting; at the meeting the members postponed the Gender Pay Gap report pending a greater degree of information. HR policies will be aligned with SMBC policies where appropriate and there were a number of out of date policies that need to be reviewed.

Finally the Board appraisal results were discussed and considered, information from that has been circulated to the Board members and there will now be a Board Zoom meeting to follow up on some of the comments.

Richard commented that it had been a useful exercise and better information had come from that than the 1:2:1 process. There are still areas for improvement and he is keen to push forward to improve where we can.

DECISION

(i) NOTED the Chair's update

15. CHAIR'S REPORT FROM THE AUDIT AND RISK COMMITTEE HELD ON 8 MARCH 2021

Nigel introduced the Chair's report from the Audit and Risk Committee; the external audit plan was approved the item to note there is the additional check in terms of 'going concern' following the impact on some businesses of Covid-19. The Committee also considered the procurement improvements but noted that contract management had only received a level 3 during the internal audit. A further report will be considered at the next meeting of the Committee.

Three risk registers were also considered at the meeting one which is shared between SMBC and SCH around strategic risk, we have agreed to look at this register annually or by exception should there be any changes.

DECISION

(i) NOTED the framework for the review of Risk Registers

(ii) NOTED the actions taken by the Committee

16. BOARD FORWARD PLAN

There are a number of further items which need to be included in the forward plan as a result of this meeting.

DECISION

(i) NOTED the forward plan

17. ANY OTHER BUSINESS

There was no other business.

18. REVIEW OF MEETING

All Board Members and staff felt the meeting was positive with the right amount of discussion and challenge. The information around Development was particularly well received. Everyone wanted to pass on their thanks and good wishes to Patricia.

19. DATE OF NEXT MEETING

The date of the next meeting is 7 June 2021.

The meeting ended at 8:08 pm

Signed by chair:

Date:

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Solihull Community Housing Board Action Log

Green = completed and will be removed from next log and a record is kept by the Governance Team

Amber = in progress due to be completed by due date

Red = not completed or unlikely to be completed by due date

Items not yet due or put on hold due to Covid do not have a colour code

1. Actions outstanding / pending / in progress

Ref	Action	Responsible Person	Due Date	Comments	Status
0920-1	Board asked for some recognition of the contribution of members of the former Scrutiny Panel who will no longer be part of the SCHape Tenants Panel	Kevin Bennett	TBA	To be considered post Covid and proposals reported back to Board. No date agreed for this event.	Amber
01-21	Board members raised a number of queries relating to the Rent Arrears Action Plan; use of Mobysoft software and tackling low level debt at an early stage	Surjit Balu	0321	Executive Director has addressed concerns with the relevant Board members who raised concerns	Green

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SOLIHULL COMMUNITY HOUSING

BOARD MEETING: MONDAY 7 JUNE 2021

REPORT OF THE CHIEF EXECUTIVE

Chief Executive's Update

1. Purpose of Report

- 1.1 This report sets out key areas of progress delivered through the Chief Executive since the last Board meeting and provides an update to the Board.

2. Recommendation – Item for Noting

- 2.1 The Board is recommended to:

(i) **NOTE** the content of the report.

3. Covid-19 - Response and Recovery

- 3.1 Thankfully the national position with regard to Covid-19 has improved significantly and as the nation continues on our journey to open up, SCH is responding accordingly. We are following our road map which is aligned to the national position and all our services are now in full delivery.

- 3.2 I am no longer highlighting specific Covid impact on our performance metrics in my report as our organisational performance, including Covid impact is available in our organisational performance reporting. To note, the specific Covid impact indicators we have been tracking were:

- Sickness absence
- Lettings
- Rent arrears
- Gas safety
- Response repairs

- 3.3 Response repairs – backlog:

2,196 routine repairs were paused due to Covid. Of these, 2,002 repairs have been completed leaving 194 to be carried out.

With only essential repairs being carried out during lockdown, we are now seeing a significant increase in the number of routine repairs being reported. We are working hard to manage this with smarter scheduling, listening to ideas of the existing workforce to assist with managing demand and ensuring

non-productive elements; such as missed appointments and follow on repairs, are reduced in number.

4. SMBC Clienting of SCH

- 4.1 As reported in my last report, SMBC are reviewing their client function and their approach to the clienting of SCH including what might be the most appropriate hierarchy of reporting to capture our work. This process will be informed by an audit of the SMBC clienting function which has been shared with myself and the chair. The process may also include a review of the alignment of funding to SCH against our functions. A report will be going to the SMBC Corporate Leadership Team to enable an SMBC corporate view to be established relating to how the clienting of SCH is structured. This report will be shared with me in advance for comments. I will update the Board as appropriate as this matter develops.

5. Housing Development

5.1 Small Sites

The following small sites have been completed:

- Faulkner Road – social rent now fully occupied
- Willow Way – social rent now fully occupied
- Brackleys Way – shared ownership

In addition, we have a small site at Wagon Lane of 15 shared ownership properties with 14 having been sold off plan due for completion in August. We also have in construction 7 shared ownership units at Halifax Road which will complete in November.

We are delighted that the Faulkner Road scheme has been shortlisted in the 'Best Healthy Homes' development (urban)' category at the Inside Housing Development awards 2021. We are one of 6 schemes to be shortlisted nationwide with the winners being announced in November this year. Regardless of the outcome we believe that just making the shortlist is excellent recognition of the quality of the development.

5.2 Kingshurst Village Centre

Board will be aware that SCH is taking a development and community engagement lead in the delivery of the Kingshurst Village Centre regeneration which will deliver over 80 new housing units as well as a small retail centre to include a health and community hub. Using the physical regeneration as a catalyst for the delivery of wider outcomes is an essential aspect of the scheme and the inclusive growth outcomes framework for the development is included in appendix A. Integral to the overall success of the scheme will be

the community engagement. SCH are playing a key role in this and have employed a dedicated engagement officer to lead on this aspect. The development is progressing well with engagement of partners.

5.3 Lakeside

Lakeside is a 3 storey building in Townshend Grove, Kingshurst, comprising of 16 bedsits and is due for demolition to be replaced with a new 4 storey block for supported housing for young people and an additional 8 new properties, landscaping and associated parking provision all constructed to meet the Low Carbon aspirations of SCH and SMBC.

SCH held its first “virtual” consultation event, ward councillors briefing and presentation to the Parish Council prior to the planning application submission which is expected May 2021.

6. Capital Project – Installation of Sprinklers

6.1 The pre-mobilisation phase of the Sprinkler Project has now concluded, this phase included completing 37 Communal Fire Risk Assessments (FRA) and 452 Type 4 FRAs as well as 452 Asbestos Surveys. All design surveys for the works have been completed as well as 38 pilot properties having had the sprinkler system fitted.

6.2 A time lapse video has been produced and this is available for residents to review in advance of works commencing in their home as part of the most recent communications that have been sent to all residents.

6.3 Preparations have been completed for the main programme of works which has started with Woodbrooke House followed by Redwood House, Wedgewood House and Westham House. The programme for the first four blocks is scheduled to be complete by the end of July 2021.

7. Strategic Vision and Delivery Plan

7.1 A copy of the Delivery Plan has been sent to all staff and Board members with a letter from myself as Chief Executive. My letter encourages staff to take time out to read the documents and understand the strategic ambitions of SCH across the organisation, not just for their own service areas.

7.2 Of course, it is important to ensure a golden thread through the organisation with regard to delivery of the commitments, milestones and key performance indicators contained in the Delivery Plan. We have a number of measures to embed this:

- Executive Leadership Team and Senior Leadership Team joint ‘Stay on Track’ meeting to take stock and review progress quarterly

- Divisional Leadership ‘Stay Connected’ meetings led by each of the Executive Directors with their leadership and management teams to ensure the team are connected and engaged
- Team Briefs – short meetings at team level to communicate key messages
- PDR framework of annual appraisals linked to 121’s and setting individual objectives to reflect the Strategic Vision and Delivery Plan
- Staff Conference – planned for October but format under discussion

8. Home Options Service

- 8.1 Discussions continue with the management company in connection with leasing arrangements for the two vacant units in the shopping centre and, agreeing an approach towards dilapidations and notice for the Coppice Way accommodation.

Designs have been developed for the vacant units based on a specification from the Home Options Team and this includes a co-located approach with St Basils.

Indicative costs for the accommodation are circa £800k and there is not expected to be a revenue cost pressure in comparison to the Coppice Way site. Further scrutiny is underway relating to the capital cost and once finalised, a report will be presented to Board to request consideration for funding from reserves.

9. Income Collection

- 9.1 The RentSense analytics tool from Mobysoft has been procured to assist our income collection activity. Contracts were signed on 6 May 2021 and an initial Project Initiation meeting was held on 10 May for SCH and Mobysoft Leads.

Key milestones for implementation are as follows:

- Technical build – 19 May – 4 June
- Technical implementation – 7 June – 2 July
- Quality Assurance (including user acceptance testing) – 5 July – 30 July
- Go live and support – 2 August – 27 August

Once up and running, quarterly executive management meetings will be held between the Executive Director of Housing and Communities and the Account Director, Mobysoft.

10. Governance

- 10.1 SMBC Representation: Following the election, there has been some change in relation to our councillor Board members; Chris Williams and David Bell

continue as representatives although neither are councillors but respectively align with the green and conservative groups of SMBC. Cllr Diane Howell has left the Board and been replaced by Cllr David Pinwell who is a conservative councillor for Knowle Ward.

- 10.2 Also following the election, Cllr Karen Grinsell has been confirmed to have the SCH corporate monitoring role so will continue to chair the QMB in that capacity. Cllr Karen Grinsell is also the deputy leader of the council.
- 10.3 Board Recruitment: Campbell Tickell have been appointed to provide recruitment services to our Board vacancies. A meeting is to be held later in June with the Chair and Chief Executive by way of scoping requirements following which a meeting of the task and finish group will be arranged.
- 10.4 The National Housing Federation issued a new Code of Governance last year and I recently met with the Chair of the Board and Company Secretary to review SCH compliance against the code. We are proposing to bring a report on our compliance to the Board meeting in September 2021.
- 10.5 Looking ahead to our Board meeting schedule for 2022, Board are asked to consider moving to an alternative timetable to include four Board meetings a year, one Away Day and two training sessions. The four Board meetings would align with the four quarters and would allow timely finance and performance reporting. The Away Day would be scheduled to allow for our annual planning cycle in relation to the Delivery Plan and our budget. The training sessions would be timed through the year as appropriate.

11. Audit

- 11.1 I am disappointed to report that we have received a level 4 audit for an audit of our PDR Framework compliance. The audit is in two parts covering PDRs completed at year end in March 2020 and a questionnaire sent out to employees during March/April 2021. Whilst we have made progress with PDRs since the audit, there is still a way to go and I realise that this reflects badly on SCH. I take overall responsibility for this of course and Kevin Bennett is leading on our management response and will be reporting it through to both SCH Audit and Risk Committee and SMBC Audit Committee.
- 11.2 During 20/21, we put in place a range of measures to support staff with undertaking PDR's and to ensure greater understanding and quality. These measures included:
 - Workshops for managers on how to conduct an effective PDR and how to effectively include the assessment of behaviours.
 - Workshops for managers on the importance of regular 121 meetings and the frequency these should occur.

- Formal training sessions for all managers on how to write effective SMART objectives.
- Workshops with managers to develop the PDR and behaviours profile guide.

11.3 I have asked internal audit to conduct an audit refresh to gain assurance that the measures put in place have delivered results. This refresh will relate to the year 20/21 (April 2020 to March 2021) and will be undertaken during Quarter 2 this year.

11.4 In addition, under the leadership of Kevin Bennett as the relevant Executive Director, I have asked Human Resources to conduct an internal check on completed PDR's for the year of 20/21 (April 2020 to March 2021) to establish compliance with PDR completions.

The results of this internal check shows that Human Resources received PDR scores for 90.76% of staff, while 6.27% were not submitted for a valid reason e.g. maternity leave. Therefore, leaving 2.97% not submitted with no valid reason and these are of course being followed up.

11.5 This internal check for 20/21 also reviewed a 20% sample of PDRs for quality. Whilst this is a small sample it showed objectives were SMART, linked to the Delivery Plan and incorporated SCH vision and values.

11.6 In addition to the above, in relation to further embedding the PDR process, to ensure both compliance with completion as well as to a good standard, we will be repeating the workshops and training sessions this year – 21/22. These sessions will be to support staff and managers with a focus on enabling them to set SMART objectives and to carry out a positive and informative PDR.

12. Policy Update

12.1 Please see attached policy update at appendix B.

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Application of the Kingshurst Outcomes Framework (KOF)

The Kingshurst Outcomes Framework has been shaped and informed by a series of structured interviews and workshops to test its viability.

The selected outcomes and indicators sit behind each segment of the 'doughnut'. They are intended to be reflective of all aspects of life in Kingshurst.

The framework defines the overarching outcomes for the Kingshurst development, as well as providing a benchmark

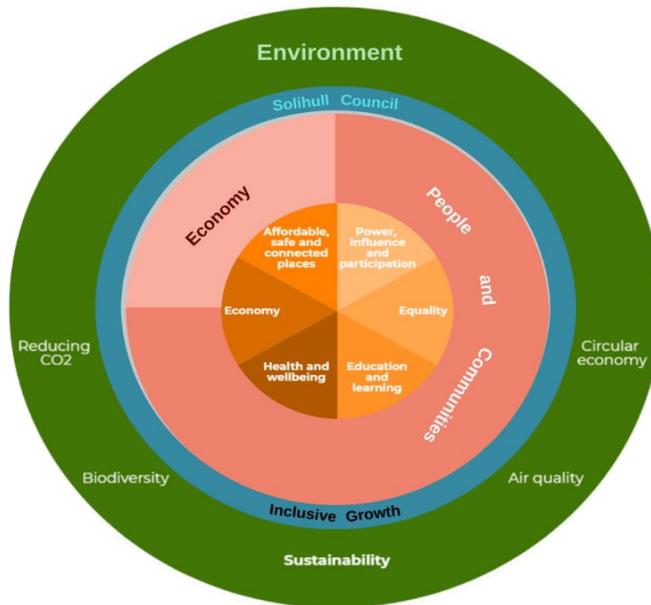


Figure 1 The Kingshurst Outcomes Framework 'doughnut'

Strategic Themes	Desired outcomes	Related Metric	Baseline	Data Year	Soft Insight	
Environment	Reducing CO2	Energy Mix / Carbon intensity (Western Power Distribution)	tbc	Live data	Climate action: survey people on their perceptions of the quality of the natural environment, their relationship to it, and what they do to tackle climate change.	
	Healthy environment	Access to Health Assets and Hazards Version 2 (CDRC)	16.30%	2017		
	Reducing Fuel Poverty	Air Quality (Average concentrations of Nitrogen Dioxide expressed as µg/m3, bias corrected annual mean)	27.2	2018		
	Reducing Fuel Poverty	Households living in Fuel Poverty (BEIS)	11.20%	650	2017	

Economy		Opportunities: survey on people's perception of key employers, whether they would like to work there, and whether they know anyone who works there. Additional question should explore how connected people feel to the surrounding area and /or key employment sites and the last time they undertook a piece of training.		
More people are in secure, purposeful work	Unemployment benefit claimants (JSA and Universal Credit) (<i>Department for Work and Pensions</i>)	9.10%		
	Unemployment benefit claimants (JSA and Universal Credit) (<i>Department for Work and Pensions</i>)	7.40%		
	Unemployment benefit claimants (JSA and Universal Credit) (<i>Department for Work and Pensions</i>)	11.90%	Aug-19	
Increasing income	Annual household income (<i>Office for National Statistics</i>)	£29,086	2015 / 16	
	Footfall in the Town Centre	tbc	2020	
Improving skill levels	People with highest qualification level 3 + level 4+ (<i>Census</i>)	20.80%	2011	

People & Communities	Social Economy Activity	Grants received (<i>GrantNav</i>)	£308,640	2019 / 20	Local assets, community pride and ownership: survey on which local assets people use and value, which are under-utilised and their aspirations for the local area. Questions will also centre on the feeling of ownership and participants ability to shape the development.
		Number of local volunteers	tbc	2020	
	Reducing violent crime	Violence and Sexual Offences (<i>Police.UK</i>)	1,350	2019 / 20	
	Prevention of life-limiting behaviours	Estimated prevalence of high blood pressure (NHS Digital, GP Registers)	15.20%	2017 / 18	
	Children have the best start in life	Children in poverty (<i>Department of Work and Pensions</i>)	35% 1,090	2016	
	Increasing years in good health	Screening and Immunisation Rates	tbc		
		Child Development at 2 years: Proportion (%) of children who are on track with their development (ASQ Tool)	tbc	2020	

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Policy update for Chief Executive Report to SCH Board 7 June 2021

1. Queen's Speech 11 May 2021

The Government has given details of its legislative and policy programme for the coming Parliamentary Session. Housing related measures include:

Building Safety Bill

The Building Safety Bill will establish a new regulatory regime for tall buildings (18m+ or 7 storeys or more). It will also create a New Homes Ombudsman and simplify the process by which social housing tenants can complain to the Housing Ombudsman. A scheme to impose a levy on housebuilders to fund cladding removal costs will also be introduced.

Planning Bill

The Planning Bill is aimed at simplifying and speeding up the planning system. There are proposals within the Bill to do away with Section 106 agreements and the Community Infrastructure Levy (CIL) and replace them with a flat rate Infrastructure Levy.

Leasehold Reform (Ground Rent) Bill

Ground rents will be prohibited for the majority of new residential leases.

Judicial Review Bill

Judicial review remedies will be expanded to allow the court to make a suspended quashing order so as to allow the public authority to remedy any procedural defect.

Armed Forces Bill

Includes a new duty to require relevant public bodies across the UK, when exercising specified public functions in the education, healthcare and housing sectors to have due regard to the three principles of the Armed Forces Covenant:

- Recognising the unique obligations of, and sacrifices made by, the Armed Forces.
- That it is desirable to remove disadvantages arising for Service people from membership, or former membership, of the Armed Forces.
- That special provision for Service people may be justified by the effect on such people of membership, or former membership, of the Armed Forces.

Social Housing White Paper

The Government said it will continue to deliver on the Social Housing White Paper proposals. However, there was no legislation included within the Speech but the Government promised it would be coming "as soon as practicable".

Renters Reforms

There was no Renters Reform Bill but the Government will publish a White Paper on reforming the private rented sector, including abolishing s.21, Housing Act 1988 (“no fault / notice only” ground for possession). It will also explore the merits of a national register of landlords.

2. Possession Proceedings

The Coronavirus Act 2020 (Residential Tenancies: Protection from Eviction) Regulations have been further amended. From 1 June 2021 until 30 September 2021, they:

- Reduce the required notice periods for most residential possession notices, from six to four months, but the notice period may be lower if an exception applies.
- Maintain the existing exceptions where the grounds of eviction relate to anti-social behaviour, domestic violence or acquiring the tenancy as a result of a false statement, and modify the notice periods where the landlord relies on grounds involving rent arrears, the tenant's right to rent or the death of the tenant.

The modifications to the exceptions mean that where the tenancy is a protected or statutory tenancy under the Rent Act 1977, a secure, assured or assured shorthold tenancy (AST), the following notice periods will apply:

- Four weeks, where the landlord relies on rent arrears and at least four months' rent is unpaid at the time the notice is served. (Serious rent arrears.)
- Four months, where the landlord relies on rent arrears and less than four months' rent is unpaid at the time the notice is served. The notice period will be two months for notices served on or after 1 August 2021. (Non-serious rent arrears.)
- Four weeks, where the landlord relies on Case 10A in Schedule 2 to the Rent Act 1977, or two weeks if it relies on Ground 7B in Schedule 2 to the Housing Act 1988 (no right to rent).
- Two months, where the landlord relies on Ground 7 in Schedule 2 to the Housing Act 1988 (death of tenant).

The Notice Regulations make similar modifications to the notice periods that apply to the rent arrears grounds for introductory and demoted tenancies, and introduce a new four-week notice period where the landlord relies on Ground 5 of Schedule 2 to the Housing Act 1985 (landlord induced to grant the tenancy by a false statement).

In light of the reduction in the notice period for notices seeking possession under section 21 of the Housing Act 1988, from six to four months, the period in which possession proceedings must be commenced will reduce from ten to eight months from the date on which the notice was given.

The Notice Regulations contain transitional provisions that mean that the amendments set out above will not apply to relevant notices given or served before 1 June 2021.

Subject to the public health advice and progress with the Roadmap, notice periods will return to pre-pandemic levels from 1 October.

The ban on bailiff-enforced evictions, introduced as an emergency measure during lockdown, ends on 31 May. Bailiffs have been asked not to carry out an eviction if anyone living in the property has COVID-19 symptoms or is self-isolating.

3. Other housing related policy updates

Further developments include:

- Government guidance on moving into homes has been updated to incorporate the adjustments set out in step 3 of the roadmap to reopening
- The Domestic Abuse Bill received Royal Assent on the 29 April 2021
- The Housing Ombudsman has launched a call for evidence on investigation into damp and mould. The call closes on the 4th June 2021

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SOLIHULL COMMUNITY HOUSING

BOARD MEETING: MONDAY 7 June 2021

REPORT OF EXECUTIVE DIRECTOR OF CUSTOMER SERVICE TRANSFORMATION & BUSINESS SUPPORT

Self-Assessment Dashboard

1. Executive Summary

Solihull Community Housing (SCH) are in year 2 of a 5 year strategic vision, with the ambition and intent to develop services across the organisation into 'upper quartile' high performance. This journey is set within a context of multiple external drivers and internal developments, which will be set out throughout this report.

To support SCH on the journey to high performance, a Board away day was held on Thursday 25 February and a further Board workshop was concluded on Wednesday 26 May, which brought together Board members and the Executive Leadership Team (ELT) to shape the high level, strategically intended 'Self-Assessment Dashboard'.

The two days have fundamentally underpinned the following:

1. The changing context and importance of data within the sector and SCH
2. The opportunity for SCH to develop a mature data hierarchy and insight offering.
3. The requirement to bring together internal capability with external expertise (HouseMark and Acuity)
4. Collaboration across Board and Executive members to develop a fit for purpose dashboard.

SCH Board members and the Chair of the Board have been highly engaged with the ongoing scoping and final version of the new dashboard.

2. Recommendation – Items for Noting and Approval

2.1 Board are asked to:

- (i) **NOTE:** The contents of the report
- (ii) **RECOMMEND:** Adopting the dashboard/measures.

3. Recapping the SCH Data and Insight approach for FY 21/21

The continued focus across SCH to improve services, raise standards and increase understanding around opportunities, has led to the development of a 'data and insight strategy' within the financial year 2021/22 Delivery Plan, which is currently in development.

This strategy will be fundamental in shaping how SCH develop and consistently apply a 'business intelligence' mind-set, whilst ensuring that the way data and insight is produced and acted upon in the business is transparent, accessible and auditable.

The internal approach set out is endorsed by sector leading organisation, HouseMark, who strongly recommend having a 'performance reporting framework' used as a core organisational foundation, which SCH is fine tuning:

1. Data as part of the corporate strategy
2. Good KPI design
3. A golden thread
4. Regular target and budget setting
5. Clear reporting and accountability
6. Dashboard design
7. Data quality and systems
8. Data driven culture.

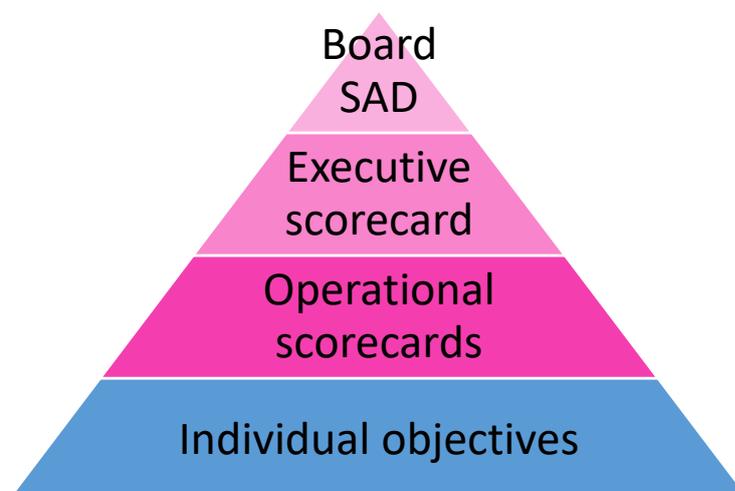
SCH will engage with an external expert to support the strategy development and implementation.

4. The Self-Assessment Dashboard in the Data Hierarchy Context

The following image shows the context of data within the intended SCH hierarchy. This Hierarchy will sit within an overarching Data Strategy/Framework, and helps to visualise the flow of information across SCH.

This 'data flow' in reality combines internal and customer intelligence.

Figure 1 – Data Hierarchy



5. The Development of the Self-Assessment Dashboard

The development of the Dashboard has undertaken various iterations with fine tuning and further endorsement provided by SCH Board during the workshop on 26 May. The dashboard is now within the final stages of agreeing measures and final adjustments.

6. Highlights from the Workshop on 26 May

The workshop on 26 May spanned three core components, contextualising data and insight against other SCH focus areas (People, technology, customers), demonstrating the front end customer insight journey with Acuity (SCH transactional and STAR data partner) and finally providing an in-depth overview of the strategic 'Self-Assessment Dashboard'.

7. The Session Objectives - 26 May

1. To build momentum from the February away day.
2. To highlight to Board members our STAR progress and showcase 'front end' maturity.
3. To provide Board members with a detailed overview of the dashboard
4. To capture Board feedback and requirements
5. Provide a consolidated update through this paper at 7 June Board meeting.

The dashboard will provide Board members with strategic assurance and aligns with the Board's view for SCH to be transparent, progressive and high performing. In addition to this, the links to 'White Paper' metrics and the balance between Quantitative and Qualitative provides a forward look at sector change and aims to provide SCH Board members with some 'real customer commentary' alongside metrics.

It should be noted by Board members, that the dashboard is likely to have a transient journey ahead, specifically around the Dashboard becoming embedded, but mainly as clarity around Tenant Satisfaction Measures (TSM's) is provided by the regulator.

8. The Self-Assessment Dashboard

Using the original measures captured from Board on 25 February, work has been undertaken to consider the alignment of measures to SCH core strategic themes and service delivery, but also, those aligned to benchmarking and potential future sector regulation.

A number of metrics have been inserted into the Dashboard using a combination of live and dummy data, including verbatim comments from customers around positive or negative experience across services.

The workshop took time to explore with Board members the mechanics of the Dashboard including scales, user experience, trend visualisation and inclusiveness.

Figure 2, below, shows the measures presented at the workshop in a summary table (available to see in Appendix 1; SCH Self-Assessment Dashboard PDF).

Figure 2 – Dashboard Measures, alternatives and discussion points:

Strategic Link	Measure	Alternatives/discussion points
More Than Bricks and Mortar	% rent collected of rent due	Rent free considerations, void turnaround/letting time, cost per property split by investment/repair.
	% rent loss due to voids	
	Headline Social Housing Cost per Unit	
Creating Homes	Overall building safety compliance	Ensuring overall measure does not block visibility of individual components off track & EPC category movement
	% repairs completed right first time	
	% properties with an EPC rating or above	
Social Value	Local apprenticeships delivered through SCH	Social value portal, Money Advice Service, E&D, Employee Engagement
	SCH employment/skills kickstart placements	
	SCH charitable fundraising/ad affiliations	
Excellent Customer Service	Complaints resolved in timescales	Easy to deal with
	% complaints resolved at stage 1	
	Overall satisfaction	
Strengthening Communities	% communal areas meeting required standards	Customer engagement links to VIP
	Satisfaction that SCH listens to views and acts	
	Satisfaction with neighbourhood as a place to live	

9. Final considerations and implementation

9.1 At this stage the Self-Assessment Dashboard is near a final level of completion in terms of structure and content and not withstanding potential small alterations, it is proposed that Board members work with SCH Executive Leadership Team (ELT), through Kevin Bennett, to agree a final draft for mobilisation aiming for Q2 this year.

9.2 The mobilisation of the dashboard will primarily be focussed around making all metrics live and adding acute commentary as required.

9.3 Steps will then need to be taken to introduce the dashboard into regular Board and Executive meeting cycles.

Options to circulate the dashboard could be considered as follows:

1. As a regular monthly performance document at ELT meetings
2. As a quarterly performance document at Housing Operations Committee
3. As a quarterly performance document at Full Board
4. Consideration of circulation at QMB.

9.4 There is some consideration around the parallel running of the dashboard alongside other broader measures at SCH that are captured through the monthly scorecard and exception reporting.

The Self-Assessment Dashboard now provides SCH Board with a more strategic view of delivery and fewer metrics, but aligned to best practice.

Alignment needs to take place between ELT and Board around what other measures, that may be off track as an exception are reported to Board, the trigger point (e.g 2 months in red within a quarter) or if these remain within the ELT arena.

Finally – Work is progressing around linking up all reporting set out earlier in this report in the data hierarchy, including a ‘golden thread’, consistent visuals, and migrating all reporting/dashboards onto a Power BI platform. Future thinking is to move to an automated level of reporting.

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More Than Bricks and Mortar

Previous Year Actual Target

Trend Performance

			Actual	Year-end Forecast	Target	Previous Year	Benchmark	Comment
Percentage of rent collected of rent due			97.70%	98.81%	98.00%	97.80%	98.00%	
Percentage of rent loss due to voids			1.30%	1.48%	0.90%	1.31%	1.50%	
Headline social housing cost per unit			£2,715	£2,623	£2,700	£2,250	£3,500	

Milestones



Description	Commentary
Some text here	Some text here

Creating Homes

Previous Year Actual Target

Trend Performance

			Actual	Year-end Forecast	Target	Previous Year	Benchmark	Comment
Overall Building Safety Compliance (%)			98.73%	99.36%	100.00%	97.40%	99.90%	
Percentage of repairs completed right first time			95.83%	97.77%	95.00%	96.32%	90.00%	
Percentage of properties with an EPC rating of C or above			38.00%	40.50%	40.00%	33.00%	40.00%	

Milestones



Description	Commentary
Some text here	Some text here

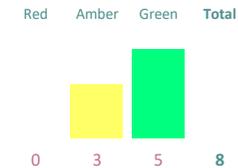
Social Value

Previous Year Actual Target

Trend Performance

			Actual	Year-end Forecast	Target	Previous Year	Benchmark	Comment
Local Apprenticeships delivered through SCH			50	103	50	40	N/A	
SCH Employment and Skills offer/Kick-start placements			305	475	300	300	N/A	
SCH charitable fundraising and affiliations (£000s)			£18	£45	£20	£10	N/A	

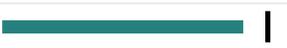
Milestones

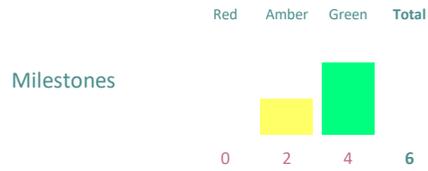


Description	Commentary
Some text here	Some text here

Excellent Customer Services



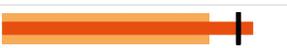
	Trend	Performance	Actual	Year-end Forecast	Target	Previous Year	Benchmark	Comment
Complaints resolved in timescale			81.63%	90.50%	90.00%	N/A	98.00%	
Percentage of complaints resolved at stage 1			98.58%	98.40%	97.00%	95.00%	90.00%	
Overall satisfaction			81.00%	82.70%	85.00%	72.00%	80.00%	

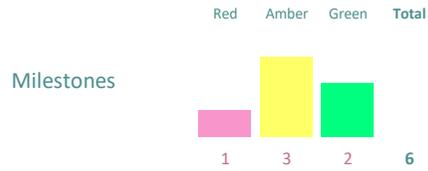


Description	Commentary
Some text here	Some text here

Strengthening Communities



	Trend	Performance	Actual	Year-end Forecast	Target	Previous Year	Benchmark	Comment
Percentage of communal areas meeting the required standard			99.85%	99.30%	98.00%	99.04%	85.00%	
Satisfaction that SCH listens to views and acts on them			65.00%	66.70%	75.00%	56.00%	75.00%	
Satisfaction with neighbourhood as a place to live			85.00%	85.20%	80.00%	70.00%	70.00%	



Description	Commentary
Some text here	Some text here

Satisfied Customers...

Themes

✓ Trust & Respect



"They're just a good housing provider, working with residents to improve things, they have lots of community initiatives, very proactive"

✓ Responsive Repairs



"I think they're a caring company, they do look after tenants, the properties are reasonable, the area is good and I am satisfied with where I live and what I'm living in."

✓ Value For Money



"I have never had any problems the only thing is communication and a little trouble in the beginning as 2 x children and not on child benefits only given 1 x bed."

Disatisfied Customers...

Themes

✗ Responsive Repairs



"Because its always been long for repairs. I don't think they upkeep the houses the way they should. I've been waiting for 3 months for my windows to be unlocked which is a hazard."

✗ Neighbourhoods



"Im not one to wait around, i work part time and i would like work to be done when they say and give an approximate time not just an all day time schedule apart from that everything is fine."

✗ Tenancy Services



"The garden clean-up team - instead of blowing leaves everywhere they could actually bag up the leaves. They come and blow them away but then they come back after a few days."

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SOLIHULL COMMUNITY HOUSING

BOARD MEETING: MONDAY 7 JUNE 2021

REPORT OF EXECUTIVE DIRECTOR OF CUSTOMER SERVICE TRANSFORMATION & BUSINESS SUPPORT (SCH) and ASSISTANT DIRECTOR – BUSINESS SYSTEMS (SMBC)

Digital Strategy Report

1. Executive Summary

- 1.1 This paper provides the Board with an overview of ICT and Digital activity across the last financial year, spanning both SMBC and SCH initiatives. It goes without saying that FY 20/21 has been particularly challenging due to the acute shift from working across offices on a day to day basis to essentially transitioning and mobilising an entire workforce to either remote/home working or adjusting community based activities in response to the pandemic.
- 1.2 In parallel to providing Board with an overview of key activities within the year, this paper also takes the opportunity to place a focus upon the future digital maturity aspirations of SCH and where investment or change is required to see business realisation and return, fundamentally looking at converting strategy into real tactical delivery, on the ground, day to day.
- 1.3 It should be noted that there is full collaboration with SMBC's Assistant Director, Business Systems, on the future vision and that changes to SCH systems need a collaborative approach with SMBC as there are cross organisational interdependencies.

2. Recommendation – Items for Noting and Approval

- 2.1 Board are asked to:
 - (i) **NOTE:** the contents of the report
 - (ii) **APPROVE:** the proposed structural and financing approach to accelerate Digital Transformation at SCH.

3. Context

- 3.1 ICT services across SCH are provided solely through an SMBC core team, primarily being a Helpdesk functionality via back office technicians (SMBC offices) and 'on the ground' IT across SCH offices. Although the team has a remit to upgrade existing technology or implement specific new technology upgrades, the function is heavily weighted and resources (FTE and skills) around 'keeping the lights on' and not geared up to support a future state operating model, digital focus and subsequent associated 'transformation and transition' initiatives.

- 3.2 The core delivery vehicle over the last 2 years between SMBC and SCH has taken the shape of a single forum led by Kevin Bennett, formerly known as IT Programme Board and most recently (to coincide with the 21/22 Delivery Plan) reviewed and renamed SCH Digital & ICT Transformation Board. This has been a very deliberate transition to mark a line in the sand between the closure of legacy projects and increasing the focus on delivering the digital agenda at SCH. Whilst the main focus is 'digital', the forum still maintains key updates on day to day ICT operations and service delivery, for a rounded view.
- 3.3 The SCH Digital & ICT Transformation Board operates monthly and is attended by various Senior Leaders within SCH, Finance, SMBC delivery colleagues and when required, Executive Directors from across the organisation. Overall there is a solid functional representation.
- 3.4 The remainder of this report will provide Board with an update on the following components:
1. A brief update on ICT Service Delivery and Helpdesk performance
 2. Key corporate projects delivered from SMBC extending into SCH
 3. Key corporate projects specific to SCH
 4. SCH Digital Transformation Initiatives
 5. Proposed SCH Digital Transformation Team

4. ICT Service Delivery and Helpdesk Performance Summary

- 4.1 In line with paragraph 3.1 in the Executive Summary, day to day service delivery across SCH is provided by SMBC, drawing upon Capita as the core housing platform supplier. Generally interactions are categorised as 'Incidents' (with varying priority due to organisation disruption levels) and more general 'Service Requests'.

During FY 20/21 there were 1,920 calls into the IS/ICT Support Team at SMBC, averaging out at c.160 calls per month. Overall across last year there was an increase of 300 calls compared to FY 19/20.

- 4.2 **Incidents** – Are generally unplanned service interruptions and often related to the SCH core housing platform 'Open Housing' via Capita. The resolution SLA is 80% within 8 hours. During the last financial year, only 70% of incidents escalated to Capita were resolved within the SLA, which is being reviewed.
- 4.3 **Service Requests** – Are more generic 'user centric' for example password resets or technical issues relating to a laptop. SMBC aim to resolve these within 8 hours and have a target of 80%. The team have achieved 92% resolution within SLA.

5. Key Corporate Projects across SMBC which extend into SCH

- 5.1 **Oracle Cloud**

SMBC have mobilised a project to replace Oracle EBS with the Oracle Cloud System. Whilst this is a migration from one Oracle version to another it will involve a significant change. Data will need to be migrated from EBS, and all processes will be reviewed and the standard process adopted where possible. Interfaces to SCH systems will need to be re-written and all users of Oracle Systems will potentially need to be trained. The system is expected to go-live towards the end of 2021 following an 18 month implementation period. The Council are currently building the system with their Implementation Partner ready for User Acceptance Testing in July 2021. This migration will affect SCH HR, Payroll and Procurement processes.

5.2 **Microsoft 365**

All users of Council Systems use the Microsoft Office Suite, and work was ongoing to move functionality into cloud based applications. The onset of Covid prompted the sequencing of the plan to be revised, accelerating the roll out of the Microsoft Teams module to October 2020, maintaining team connectivity and business continuity. The revision means that SMBC are currently in the process of migrating email and building a SharePoint document storage platform. These are due to be delivered by September 2021, bringing the overall Microsoft 365 package together for SMBC and SCH users. Plans are in place for training and supporting teams through a cultural technology shift. Across SCH the introduction of the People Strategy and implementation of Staff Engagement Group/Cultural Ambassadors will support change.

5.3 **Citrix Mail Migration**

As part of the Microsoft 365 programme, SMBC will be introducing a product called InTune to remotely manage external devices and provide access to key IT Systems including email. Once implemented this will replace Citrix Mail and provide 'remote' workers with access to more information help within the Microsoft Cloud.

6. **Key Corporate Projects specific to SCH**

During FY 20/21, there have been various upgrades or maintenance to existing systems as highlighted below, and including progress highlighted in 4.1, 4.2 and 4.3.

Open Housing Upgrade V15 to V17 - Version 15 of Open Housing had been in use since October 2018. Capita no longer support V15 and so work has been ongoing to upgrade the application to the latest supported version, reducing risk at SCH of a significant system failure being unresolvable. Original servers date back to 2014 and needed to be upgraded along with the Windows operating system and database software that the application runs on. At the same time the Customer Portals have been updated and improved security measures applied. Finally, at the same time the TotalMobile system used for remote working in MST and Neighbourhoods was upgraded and moved to the new servers. This work was originally scheduled to be

completed before Christmas 2020 but was delayed until April 2021 for various operational reasons.

DRS Upgrade - The DRS system was upgraded in early November 2020 because a key component of the previous version called 'Flash' developed by Adobe is no longer supported. This has ensured SCH is using the latest version.

Allocations Review - SMBC are reviewing their current Allocations Policy, and the outcomes of this work are unknown at this point. However it seems that a new policy will either require major changes to Abritas - Solihull Home Options system or the procurement and implementation of a new system.

7. Digital Transformation Initiatives

7.1 There is a clear distinction within SCH between legacy systems/technology and digital ambition, which is important to highlight and provide some context around. In recent years the focus on 'digital' across the business has been more aspirational than high potential reality and in the shadow of 'maintaining/upgrading' older legacy systems.

7.2 Across the latter half of FY 19/20 and the whole of FY 20/21, there has been significant focus on strategic positioning within SCH, for a digital future, that has focused upon the following activities:

- The acceleration and implementation of legacy 'Open Housing' CRM projects to 'declutter' resource effort and distraction.
- Establishing better controls by developing the right forums to oversee projects with the right stakeholders (IT Programme Board now Digital & ICT Transformation Board) – looking ahead.
- Tightening up on business requests to modify or implement 'bolt ons' to existing systems, particularly with Capita – Open Housing, where further integration leaves less commercial manoeuvring away if needed in the future for SCH.
- Consideration of the wider business strategy and delivery plans around enhanced customer and employee offerings – reliant on digital efficiencies.
- Researching future digital solutions at a corporate level and implementing specialist consultancies to support the business blueprint.

7.3 Digital transformation is a key focus for SCH. The application of a strategic focus will support effective delivery of services and create a more dynamic organisation for both customers and staff alike.

7.4 Embarking on a digital transformation journey aims to maximise the use of technology and play a key 'foundation' role across the SCH Delivery Plan such as improving customer satisfaction, experience and engagement. Benefits of digital transformation include the following examples.

- Optimise services and processes to support affordable rents.
- Identify organisational efficiency or refocus opportunities.
- Use technology to improve customer access, alongside traditional channels.
- Speed up processes, transactions and decisions.

7.5 As highlighted in point 3.2, the focus of SCH has transitioned recently from the IT Programme Board to the Digital and ICT Transformation Board (linked through key members to SMBC Digital Programme Board) with a key focus around new or planned digital projects and to have a clear focus on continuous improvement and innovation. Key project examples are as follows (in flight or initiatives):

- Microsoft Office 365 (cross business)
- Oracle (Cross business)
- Enhancing SCH website and Intranet offering
- Developing My SCH Portal
- Cloud Based Workflow
- Blended Working (digital links)
- Contact Centre Maturity

7.6 The projects highlighted above, and smaller peripheral activities are a high priority, however the existing organisational capacity and capability across SCH is extremely limited. On top of the highlighted projects, there have been recent consultancy commissions, which have highlighted that there is a requirement for SCH to fundamentally 'strengthen' existing systems to make SCH more robust, for example across Asset Management.

7.7 Currently it is only the SMBC ICT Team, who provide any technology support into SCH and the team is not positioned to be focussed on digital initiatives, beyond day to day duties.

7.8 The scale of projects that are currently being supported by SMBC and reach into SCH or specific SCH initiatives in isolation, has reached a point where good progress and delivery will be hampered or fail. An injection of resource investment at SCH to work closely with SMBC but dedicated to digital workstreams and projects within SCH is imperative.

7.9 To give some clear examples of this, the existing capacity of the ICT Team is focussed on Helpdesk and projects such as Open Housing Upgrade to 'Capita One', enhancing My SCH Portal processes and decommissioning legacy unsupported systems (amongst other initiatives). There is currently no focus on 'continuous improvement' through digital channels from either an overarching or technical implementation perspective.

8. Proposed SCH Digital Transformation Team

8.1 The digital ambition and desire to succeed across SCH is very clear. That ambition relies on a cultural shift from a focus on legacy technology to one

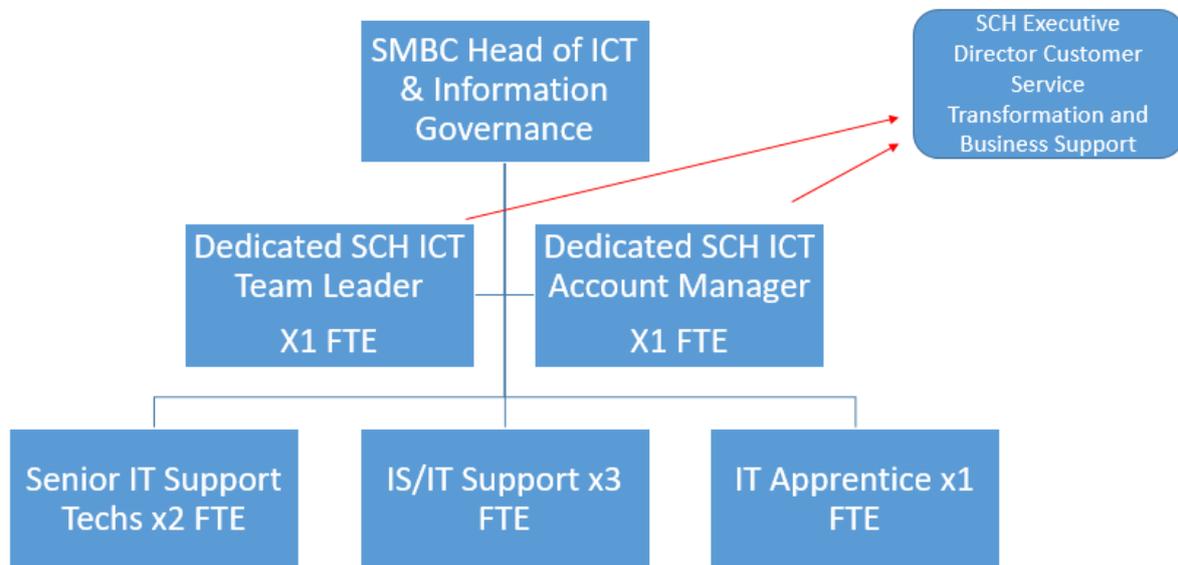
where technology is exploited to transform services. ICT elements (legacy systems) across the business still need to be delivered, developed and supported, however, the focus should no longer be just on the technology but on the transformation of the service.

- 8.2 Over the last eighteen months the service has upgraded and/or maintained technology however it has lacked the skills and the resources to exploit or implement digital systems; it is also the case that we have learnt that it is not a choice between installing and transforming, SCH requires both disciplines.

The organisation structure shown in figure 1 visually demonstrates the structural relationship between SMBC and SCH. What is immediately evident is that the structure is resourced technically for day to day service delivery but light in capacity to work across intended SCH digital transformation initiatives and lacking dedicated senior leadership acting as that organisational glue providing day to day focus on cohesive, forward thinking delivery and linking SCH better to SMBC.

Currently, operational issues, escalations, minor requests and day to day challenges within SCH are escalated directly to SCH Executive Director, Kevin Bennett with no dedicated senior leadership filter.

Figure 1 - Existing Structure between SMBC and SCH

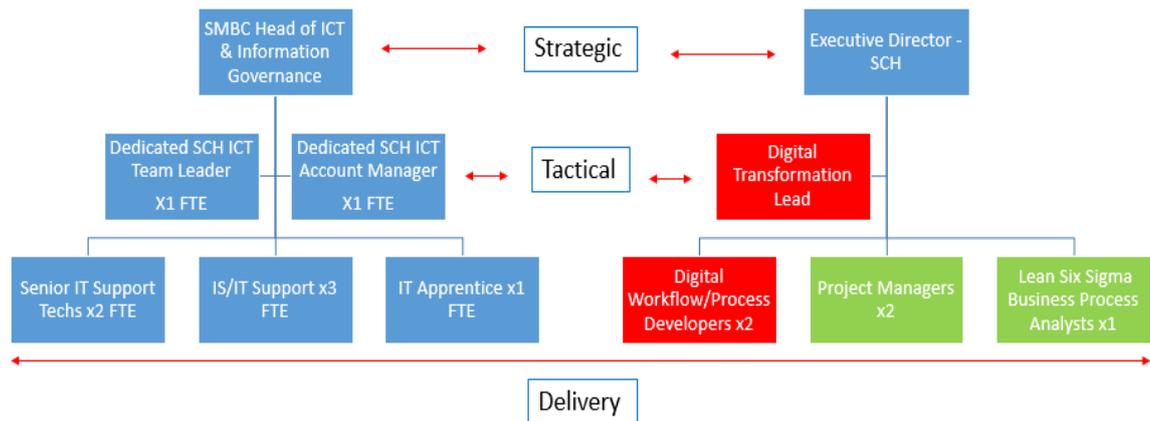


The structure in Figure 2 below shows adjustments that have been made in Q4 FY 20/21 by the Executive Director Customer Service Transformation and Business Support, in clear recognition that SCH requires dedicated 'transformational change capacity' beyond day to day operational delivery.

The roles highlighted in **Green boxes**, show recently internally recruited Project Managers x2 and a Business Process Analyst who has been supported to achieve her 'Yellow Belt' accreditation.

Roles highlighted in **Red boxes** are proposed new roles to fund and recruit into SCH.

Figure 2 – Proposed SCH Digital Transformation Structure



9. Structure Summary

The following are the key changes in summary:

- The appointment of a Digital Transformation Lead to support the Executive Director in delivering the Digital Strategy working at a tactical level as a member of SCH SLT.
- The Digital Transformation Lead will manage a dedicated team whose remit is to exploit existing technology and be involved with new technology initiatives.
- This team is partially created, however it is proposed to recruit x2 Digital Workflow/Process developers
- The IT Team will remain largely intact, as they will be required to support the physical systems and digital infrastructure.
- There may be some transient use of roles within the SMBC IT Team, to Support SCH more directly in varying ways depending on projects.

9.1 Benefits of the roles

- A dedicated Digital Lead, responsible for Digital Delivery on a day to day basis, converting strategy into action and results. This person will link all projects together in one place.

- X2 Technical ‘implementers’ who can work across larger projects in a more structured capacity and also work with teams locally converting simple processes into digital solutions for customers.

10. Proposed Financial Solution

The following table outlines the additional costs to create the Digital Transformation Team.

Required Roles	Proposed Grade	Salary Range Mid Point
Digital Transformation Lead	G	£63,453
Workflow / Digital Process Developer (x2)	E	£87,026
		£150,479

11. Financial/Funding options explored with Finance:

It is recognised that the development of a dedicated Digital Transformation structure within SCH will require funding across 3 key roles as highlighted above. The following funding solutions have been considered.

1. Existing Directorate Funding – Funding £150k within the existing CST&BS directorate on a priority basis. The FY 20/21 underspend was c.120k driven mainly by Training & Facilities, but as these were impacted by Covid, the underspend in FY 21/22 is unlikely to be as big and considering the focus on Blended Ways of Working and upskilling staff, **this option is unlikely to be viable.**

2. Corporate Virements – Funding £150k using broader SCH revenue portfolio, engaging ELT and discussing revenue virements to support the additional spend as a corporate initiative. This would need to be on a priority basis, considering other financial pressures and requirement. Both Asset Management and Housing/Communities overspend in FY 20/21 by £145k and £102k respectively, so **this option is unlikely to be viable.**

3. CAPEX/OPEX (Revenue) blended funding – Considering the capital project plans across SCH, specifically the implementation of workflow, the posts could be partially or at times fully funded by a

CAPEX financial stream, taking pressure off revenue budgets and offering more time for a mid to long term solution. This could equate to a c. 50/50 split across the 2 finance streams - **potential viable option.**

4. CAPEX/Reserves – Similar to option 3, a split between CAPEX and reserves could be deployed. This would require a dynamic approach and again could be funded on a c. 50/50 basis across the financial streams – **This is a viable option.**

5. Fully reserved funded – The roles are approved by Board to be funded from reserves, which would represent a very small percentage spend of existing reserves, but have a big impact on business improvement – **This is a viable option.**

12. Recommendations

- 12.1 Considering the options, and the current status of HRA budget review this summer for the 23/24 HRA budget, and having consulted the Finance team on all options, Board is recommended to discuss options 4 and 5 above, as the most viable options and **to approve the recruitment of the required roles for an initial period of 2 years** enabling solid progress of required work across SCH, whilst enabling space to consider further options for a mid - long term sustainable solution for SCH.

13. Conclusion

- 13.1 As stated within the Executive Summary, there are current restrictions in the balance, capacity and skill set across SCH in order for the business to mobilise 'Strategic Visions' into Tactical delivery reality.
- 13.2 The structural developments required which maintain a core 'keeping the lights on' ICT team, with a forward thinking 'Digital Delivery Team' are imperative in the success of the SCH Digital commitments for our employees and our customers/communities.
- 13.3 The investment required over an initial 2 year period, is not significant when considered against existing changes initiated, to create both Project Manager roles and a Business Process Analyst role.
- 13.4 Day to day, Senior Leadership in the Digital space is desperately required at SCH as the gap between the SMBC ICT Team Leader and Executive Director Customer Service Transformation and Business Support is a risk and blocker.
- 13.5 The business and technical skill set of the team/structure that has been proposed is a pre-requisite to any medium to large scale transformational change at SCH covering business process, project management and technical requirements.

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SOLIHULL COMMUNITY HOUSING

FULL BOARD MEETING 7 JUNE 2021

REPORT OF THE HEALTH AND SAFETY SUPPORT TEAM SMBC

Health and Safety Quarterly Report January – March 2021 (Quarter 4)

1. Purpose of Report / Introduction

- 1.1. The purpose of this report is to provide SCH Board with an update on legislative changes and guidance, corporate health and safety activity, any areas of specific concern and recommendations for improvement.
- 1.2. The SCH Board, Chief Executive and Executive Leadership Team (ELT) have overall accountability and responsibility for ensuring the effective management of health and safety within SCH. The success of the Health and Safety Management System in place relies on the commitment, engagement and support from all levels of managers and employees in the organisation.
- 1.3. The SMBC Health and Safety Support Team's (HSST) role is to provide health and safety competent assistance, advice and guidance in order to help the SCH Leadership Team to fulfil their health and safety responsibilities.

2. Recommendation

- 2.1. The Board is recommended to:
 - (i) **NOTE** the contents of this report.
 - (ii) **NOTE Appendices 1 and 2** - presentations from recent building safety webinars delivered by Trowers and Hamlins on the roles and responsibilities of the Accountable Person, Building Safety Manager and the Resident under the planned Building Safety Reforms.
 - (iii) **NOTE Appendix 3** – extract from Trowers and Hamlins March 2021 newsletter, entitled Health and safety issues for local housing authorities – satisfying the regulator.
 - (iv) **NOTE Appendix 4** - Report on SCH Compliance with the Home Standard Duty
 - (v) **NOTE Appendix 5** - Accident/Incident Reporting Analysis Q4 2020/21

3. Regulatory Interventions

- 3.1. The SMBC Health and Safety Support Team are not aware of any health and safety regulatory interventions affecting SCH for this quarter. The Health and Safety Executive (HSE) have continued to undertake Covid-19 Secure Workplace visits to borough schools to review their working arrangements. There were no HSE visits made to SCH at the time of writing this report.

4. Legislative / Guidance Updates

- 4.1. There have been no new specific health and safety legislative updates for this quarter.

- 4.2. A number of safety alerts, eBulletins and HSE weekly digests continue to be published by the HSE providing useful help and advice, mainly, but not solely, relating to keeping workplaces and staff safe during the pandemic. These have been focused more recently on measures needed in workplaces and establishments that will be re-opening following the easing of lockdown restrictions and include guidance and advice on:

- Keeping workplaces safe during coronavirus outbreak advice:
 - Ventilating workplaces
 - Talking to staff about preventing Coronavirus
 - First aid at work temporary omission of rescue breaths during training
 - First Aid training can continue
 - RIDDOR reporting of Covid-19
 - Disinfecting using fog, mist and other systems
 - Protecting homeworkers during the pandemic
- Recording near misses at work
- Building Safety e-bulletin
- Musculoskeletal disorders (MSD's) – revised assessment tool for MSD's
- Chemical Safety, Workplace Exposure Limits (WEL's) and changes to regulatory regime due to end of EU transition period.

- 4.3. The latest news, guidance and eBulletins can be accessed on the [HSE website](#).

5. Working safely during Coronavirus (Covid-19) outbreak

- 5.1. The pandemic situation continues and a third National Lockdown was introduced from 5 January 2021 at the start of this reporting quarter. The relaxation of the lockdown measures started in March 2021 and will continue until June 2021, if the data shows that cases are continuing to fall.

- 5.2. The individual risk assessment template was revised to reflect the re-introduction of Shielding for Clinically Extremely Vulnerable (CEV) employees, at the start of the third

lockdown. Shielding came to an end at the end of March 2021, mainly due to the success of the vaccination programme.

- 5.3. The Incident Response Team set up in SCH to respond to this (and other major incidents) continues to meet to review the ongoing situation and local outbreaks, supported by the HSST.
- 5.4. The HSST has continued to support service areas in their review of their risk assessments during lockdown, including advice on stopping services with the aim of reducing the risk of transmission of the virus.
- 5.5. There has been **one reported case of Covid-19** within the Responsive Repairs team which was reportable to HSE as legally required by Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) as the exposures had been classed as work-related, however it could not be absolutely confirmed that this was due to workplace exposure.
- 5.6. A **number of near-misses** have been reported by the Responsive Repairs Team identifying instances where operatives attended properties to undertake repairs where there were positive cases present. These have not been reported as near-misses under the RIDDOR legislation as the instances did not meet the criteria that HSE have issued. This does however re-inforce the importance of undertaking the tri-age question protocol, either by phone or on the doorstep, prior to undertaking the repair/visit and following social distancing and other Covid safety precautions.
- 5.7. There had been a rapid increase in positive cases in areas around the North of the Borough within the customer base, attributed to schools returning and a general relaxation of people not following Government guidance and regulation, however numbers have fallen in recent weeks as the numbers of vaccinated people increases.
- 5.8. The HSST continue to provide support and advice to SCH in its endeavours to continue to operate during these difficult and challenging times including advice on working safely in people's homes and making workplaces Covid-19 secure.

6. Building Safety

- 6.1. Work is continuing on understanding the **implications of the draft proposed legislation** relating to building safer homes.
- 6.2. Dame Judith Hackitt's independent review of Building Safety and Fire Regulations, in the wake of the tragic fire at Grenfell Tower, led to the government asking HSE to establish a new building safety regulator.
- 6.3. Since the start of 2021, the level of building safety activity beyond the passage of regulation through Parliament, has picked up significantly. A new regulator has been set up for construction products, there is to be a review of product testing and more money is to be made available to fund remediation on those buildings which represent the highest risk.

- 6.4. Consultation documents from the Construction Products Association and the British Board of Agreement have been produced as well as the development of the Building a Safer Future Charter.
- 6.5. The Health and Safety Executive (HSE) has announced the appointment of a Chief Inspector of Buildings to establish and lead the new Building Safety Regulator (BSR). Peter Baker, HSE's former Director of Building Safety and Construction, takes up the post with immediate effect.
- 6.6. There have been no changes to the draft Building Safety Bill following its pre-legislative scrutiny late last year undertaken by the Housing, Communities and Local Government Committee.
- 6.7. A date is yet to be announced on when a re-drafted bill will be published. It is due in 2021.
- 6.8. Recent building safety webinars delivered by Trowers and Hamlins discussed the roles and responsibilities of the Accountable Person, Building Safety Manager and the Resident under the planned Building Safety Reforms. Attached in **Appendices 1 and 2** are the presentations from these events for information and note.
- 6.9. Further discussions will take place at the SMBC Build Safety Delivery Group with specific regard to roles and responsibilities as further clarity emerges.

7. SMBC Building Safety Delivery Group

- 7.1. The Group chaired by the Assistant Director for Stronger Communities (with representation from SMBC and SCH Officers) has been formed to oversee and inform the approach to building safety across Council owned buildings, including the housing stock and where applicable, educational buildings. The group's purpose is to consider the implications of the current building safety reforms, in particular the Building Safety Bill and the Fire Safety Bill and the Charter for Social Housing Residents White Paper and make recommendations where necessary. The group reports into the Strategic Housing Framework Board (SHFB) in relation to the housing stock, and the Joint Asset Management Board (JAM) in relation to other buildings.
- 7.2. In the last meeting on 17 March 2021, the Internal Audit Report of Fire Safety in SCH was discussed, as well as the circulation letter from the MHCLG regarding Kingspan K15 insulation. The letter sent by government in March 2021 instructs all building control bodies to revisit their assessments of a widely used Kingspan insulation product after the company withdrew fire safety test reports. The role of the Project Manager to coordinate aspects of the building safety reforms on a short term basis was also discussed. Gabrielle Whitehouse (Group Manager for SMBC Development Services/Building Control) has agreed to carry out this role for a period of 6 months.

8. Fire Safety Act 2021

- 8.1. Meanwhile the Fire Safety Bill was debated in Parliament in March and April 2021 with some sticking points on amendments being the issue, mainly around who should pick up the costs of remediation work, leaseholders, and landlords and if it is fair to charge social housing tenants additional rent to pay for work in the building they live in.
- 8.2. The Bill was returned to the Commons for consideration of Lords amendments. These were not agreed with and consequently the Fire Safety Bill received Royal Assent and is now an Act of Parliament, which will be the start of major changes to fire safety in response to the Grenfell Tower fire.
- 8.3. The Fire Safety Act 2021 provides the legal basis for meeting some of the recommendations from Sir Martin Moore-Bick's Grenfell Inquiry Phase 1 report.
- 8.4. The Act makes changes to the Regulatory Reform (Fire Safety) Order 2005, known as the Fire Safety Order.
- 8.5. It is not the end of the process, as much of the content of the Act requires a secondary legislation in the form of regulations to be made under the Fire Safety Order and they will need to be consulted on over the coming months.
- 8.6. It is worth noting that the secondary legislation will likely have the following implications:
 - Strengthen the regulatory regime for Building Control and requirement to consult with Fire and Rescue Authorities.
 - Place duties on the responsible person for fire safety to talk to all parties relating to a building to ensure fire safety and coordinated approach.
 - Introduce fees and charges for Fire Service activities such as inspections and audits.
 - Make premise information boxes a legal requirement.
 - Introduce the requirement for resident PEEPs (Personal Emergency Evacuation Plan) for people who cannot self-rescue.
- 8.7. Additional guidance on undertaking fire risk assessments is awaited from DCLG (Department for Communities and Local Government).
- 8.8. Publicly Accessible Specifications (PAS) have been or are in the process of being revised relating to the role of Accountable Person and Assessment of external walls to name just two.
- 8.9. The competency of fire risk assessors has been looked at by a competency steering group as part of the Competence Steering Group set up following the Grenfell Fire. The publication of the Setting the Bar report details the arrangements.

- 8.10. Construction operatives doing fire stopping work will also need to be competent in this specialist field. The Association of Specialist Fire Protection may provide useful resources for this.

9. Social Housing White Paper

- 9.1. **Appendix 3** contains an interesting article that appeared in the recently issued Trowers and Hamlins March 2021 newsletter, entitled Health and safety issues for local housing authorities – satisfying the regulator. This acts as an important reminder of the over-arching roles and responsibilities of stock owning bodies, as well as the management bodies delivering housing services.

10. Health and Safety Working Groups

- 10.1. The Building Safety Group met each month during this quarter, the last meeting being in March 2021. A presentation was given by West Midlands fire on their High Rise Resident Engagement project. The outcomes from the Savills Fire Risk Assessments undertaken on the high rise blocks as part of the Sprinkler Project were discussed and this group will maintain oversight of any resulting remedial works.
- 10.2. The HSST continue to support the Asbestos Management Working Group. The group's focus remains on updating the policy and procedures relating to asbestos management, both for SCH workplaces and tenanted properties. Regular updates and progress are reported to the Building Safety Group and the Corporate Health and Safety Group. The Head of Asset Management is the chair and lead of the Asbestos Management Working Group. Recently the HSST team supported the Service Delivery Operations Manager and the Compliance Team Manager in Asset Management regarding safe working arrangements with textured coatings that may contain asbestos, together with the Dodd's Group.
- 10.3. As part of managing health and safety within SCH the Corporate Health and Safety Group meet quarterly. This group deals with the wider aspects of health and safety across the organisation.
- 10.4. The HSST support the ELT meeting focusing on health and safety to review performance. This is supported by the HSST.
- 10.5. The Incident Response Team is now meeting every two weeks. The team primarily are focused on the actions needed to be taken by each service delivery area to keep everyone safe during the pandemic and recent national lockdown.

11. Health and Safety Support Team

- 11.1. Jane Carter as Senior Health and Safety Advisor is continuing to support SCH in their management of health and safety, as well as through the Coronavirus outbreak.
- 11.2. During periods of leave or other absence for Jane, the SMBC Health and Safety Support team can be contacted for support and guidance, email

healthandsafetysupport@solihull.gov.uk. Mark Wills, Health and Safety Team Manager can also be contacted email mark.wills@solihull.gov.uk.

12. Health and Safety Audits

- 12.1. A revised draft audit schedule has been presented to ELT. Remote audits have begun in **Quarter 4 2020/21**, focusing on health and safety systems, processes and paperwork.
- 12.2. **An audit of the Responsive Repairs Team has been undertaken** and a report outlining the findings and recommendations for improvement has been presented to the Head of Service and Executive Director Assets and Development.
- 12.3. The report has also been presented to ELT. An update meeting was held in March 2021 and a further update on action progress is due in June 2021.
- 12.4. The next audit scheduled is the Estate Management Service within the Neighbourhood Service area. An initial scoping meeting was arranged in April 2021. This audit is scheduled for Quarter 1 2021/2022.

13. The Home Standard Duty

- 13.1. Data on compliance with the **Home Standard Duty** for this quarter is included in **Appendix 4**.

14. SHE Assure Health and Safety Management System

- 14.1. All services/teams in SCH are now using this system to report and record all work-related accidents, incidents and near miss events. A specific procedure has been produced to capture tenant-related incidents.
- 14.2. To help ensure managers are using the SHE system fully, a number of training sessions were held.
- 14.3. Work continues in the background by the HSST configuring other modules that would benefit SCH, including:
 - Risk module, including risk assessment - initially for all activity risk assessments and Display Equipment Assessments. More risk assessment types to follow.
 - Hazard reporting which would include property related issues from tenants.
 - Action creation linked to risk assessments
- 14.4. The feasibility of using SHE Assure as a way of storing the 'Golden Thread' building information relating to high rise residential blocks is being evaluated and a presentation is planned for the next quarter on this.
- 14.5. The incident statistics attached to this report for this quarter have been taken from the SHE Assure system.

15. Incident Reporting Analysis

15.1. There were 16 incidents during this quarter. A detailed breakdown is provided in **Appendix 5**.

Employee, contractor and agency accidents and near misses	
Accidents (Responsive Repairs and Cleaner Greener)	2
RIDDOR Reportable Diseases (Covid-19)	1
Near Miss - Employee (4 x Covid related and 1 x verbal abuse)	5
Tenant Accidents	
Accidents – majority are slips, trips and falls	7
Property incident (ceiling collapse)	1
TOTAL	16

16. Reporting of near miss incidents and Incident investigations

16.1. The number of near misses reported have increased this quarter. Near misses are those events that happen where no damage or injury arose but could have done so. If these are reported and then investigated robustly, they may prevent an incident occurring resulting in injury or ill health. Managers are asked to re-inforce the importance of teams reporting these incidents and tenant near misses too.

17. Equality and Diversity Implications

17.1. **Equality and diversity is routinely considered by SCH** when dealing with health and safety issues, for example when inspecting communal areas so that corridors and pathways are clear to ensure safety for people with mobility issues.

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Draft Building Safety Bill

AP and BSM

April 2021

Draft Building Safety Bill

- Part 1 – Introduction
- Part 2 – BSR Role and Powers. Includes definitions of HRRB
- Part 3 – Amendments to Building Act 1984
- **Part 4 – HRRB's (Key Section)**
- Part 5 – General Provisions – ombudsman/construction products
- Schedule 1 – Amendments to Health and Safety at Work Act 1974
- <https://www.gov.uk/government/publications/draft-building-safety-bill>

Legislation changing...

- Building Act
- Health and Safety at Work Act
- Housing Act
- Landlord and Tenant Act
- Regulatory Reform (Fire Safety) Order
- Building Regulations Review



Key Roles

Accountable Person

- “a person who holds a legal estate in possession in any part of the common parts or a person who is under a relevant repairing obligation in relation to any part of the common parts.”

Building Safety Manager

- “The accountable person for a higher-risk building must before the building becomes occupied appoint a person to be the building safety manager for the building”



Accountable Person

Must appoint a BSM and appt signed off by regulator

Must assess the building safety risks relevant to the building

Must take reasonable steps (promptly!) to prevent a major incident

Must prepare a report (safety case report) and must revise it where it is no longer valid (including notification to regulator)

Must keep prescribed information in accordance with standards (golden thread)

Prepare a resident engagement strategy

Investigate all building safety complaints



Challenges - AP

- **Who?** – Legal entity and named individual
- **Competence** – selection/appointment of BSM and others
- **Risk management** – data, assessment, risk appetite
- **Moving parts** – Safety Case, Golden thread, resident engagement, complaints
- **Scrutiny** – Board / Regulator / Residents

BSM must manage the building in accordance with the safety case report for the building

BSM must as soon as reasonably practicable - notify the accountable person for the building if the manager has reason to suspect the safety case is no longer valid

BSM must give prescribed information to the regulator (failure will result in an offence and is liable on summary conviction to a fine)

Ensure that those engaged in the maintenance and management of the building's fire and structural safety meet the competency requirements;

Establish, where necessary, and/or maintain information management systems to facilitate the ongoing safe management of the building

BSM Function cont



Maintain a complete Golden Thread of Information



Maintain a safety case



Implement a resident engagement strategy



Engage residents in the safe management of their building



Ensure the fire risk assessment are undertaken and reviewed regularly



Establish, where necessary, and operate a Mandatory Occurrence Reporting system



Liaise with both residents and their contractors about proposed works within flats to ensure that they are carried out safely and the safety of the building is protected



Challenges - BSM

- **Who is the NI?** – right individual?
- **Competence** – how to demonstrate/maintain and check competence – not caretakers/housing officers!
- **Risk management** – procurement/ risk assessment/analysis/escalation to AP or BSR?
- **Moving parts** – complaints, risk profile, resource, communication, involvement
- **Assurance** – residents, AP, other teams, BSR, FRS

Key Sections

Section 67 – Duty to appoint BSM

Section 71 – Removal of BSM

Section 72 – Duty to assess building safety risks

Section 73 – Steps to prevent a major incident

Section 74 – Duty relating to the safety case report

Section 78 – Mandatory occurrence reporting

Section 80 – To give information to regulator/residents

Section 82 – Resident engagement strategy

Key Bits cont..

Section 83 – Requests for information

Section 84 – Complaints – AP/BSM

Section 85 – Complaints – Regulator

Section 86 – Duty on residents

Section 87 – Access

Section 88 – Changes to LTA 85

Section 89 – Building safety charge (NEW)

Section 94 – Offences

Section 96 – Special Measures

Section 101 – Guidance

Section 102- Co-operation (including amendment to Article 22 FSO)

Section 106 – new homes ombudsman

Section 110 – Construction Products

Section 111 – Architects Act change

Section 113 – Changes to Housing Act

Section 114 – Liability of body corporate/officers

Section 116 - Regulations



Building Safety:

it's all about the people

Page 117



Darren Hartley
Chief Executive

1st April 2021

Introduction

- Focus
 - Implications of the Draft Building Safety Bill on residents
 - Roles and “duties” of residents under the Bill
 - Thoughts on implications for both landlords and residents
- Some key areas:
 - Requirements on residents?
 - Involving tenants and residents in decision-making?
 - Information to be supplied to tenants and residents?
 - What residents may do if they are not satisfied with how the building’s being managed with regards to safety?

Who's who?

- **Relevant Persons** = Residents aged 16+, Owners of flats in the building (whether they live there or not) – but note differences with duties
- **Resident** = any person who lawfully resides in a dwelling within the building under a contract or licence, including minors and others who have obtained lawful permission to live in the building
- Implications:
 - Mix of tenures
 - Mix of responsibilities
 - Shift from traditional landlord / tenant relationships
- Context
 - Post-Grenfell – engender enhanced levels of trust and confidence
 - Actually make buildings safer
 - Place residents “at the heart” of decision-making

Building Safety Regulator



- **Must:**

- Establish a **Residents' Panel** to give advice about 'such matters as the regulator may specify'. Already includes:
 - Guidance about residents' rights and responsibilities regarding fire safety
 - Guidance about the duty to give information or documents to residents
 - Guidance about Accountable Person's responsibilities to residents and/or engagement with residents
- Panel to include residents, owners of flats, 'representative bodies'
- Consult the **Residents' Panel** on its strategic plan, and complaints system
- Produce an annual report
- Produce a statement about engagement with the residents' panel, residents of higher risk buildings, owners of flats in higher risk buildings, representative bodies.

Accountable Person 1



- Must register the building with the regulator before it's occupied (or fine/prison/both)
- Must obtain a **Building Assurance Certificate**
- To get (and keep!) the certificate, they must:
 - 1) Must prepare a “**residents’ engagement strategy**” for promoting the participation of relevant persons in the making of building safety decisions
 - 2) Give each building resident 16+ a copy of the strategy (unless they don't know the resident exists despite making reasonable efforts). NB this doesn't cover absent flat owners
 - 3) Provide **prescribed information**/documents if requested by a relevant person

Accountable Person 2



- The **Residents' Engagement Strategy** must cover:
 - What info will be given to **relevant persons** about decisions
 - What aspects of those decisions they'll be consulted on
 - The arrangements for getting views and taking account of them
 - How the diverse needs of residents will be taken into account
 - How they'll evaluate the success of their approach
- Must display the **Building Assurance Certificate** in the building
- Must keep 'prescribed information' in the prescribed way
- Must establish a complaints system (the Secretary of State may make regulations about this)
- In relation to all the plans and documents – they must be reviewed and revised at prescribed intervals or if it's necessary (e.g. if something changes)

Building Safety Manager



- Must operate the Complaints system (which the Accountable Person has set up)
- Complaints scheme includes options to escalate to the BSR. Details to be released in subsequent regulations
- Challenges to integrate complaints with existing systems.
- Also note: a) New Homes Ombudsman; b) Removal of democratic filter for the Housing Ombudsman.

Residents (16+)

- Duties apply to Residents, not the full list of relevant persons
- Must keep in repair and proper working order any **relevant resident's item**
 - any gas or electric installation/appliance in the dwelling or [e.g. storage cupboard], as long as no one else has a duty to maintain it
- Must take reasonable care to avoid damaging any **relevant safety item**
 - Safety equipment, sprinklers, smoke alarms, notices etc. in shared areas
- Must give the Accountable Person information they need for the **Safety Case Report**.
- Must give the Accountable Person access to their flat at reasonable time, with reasonable notice
 - to inspect/measure/photograph/record/take samples if it's needed for the Safety Case Report
 - If there's reason to believe there's a dangerous gas/electric installation/appliance

Information to supply



- Examples of the information to be provided is included in the Commentary on the BSB, but will be further detailed in subsequent regulations, and will involve consultation with the Residents Panel that is to advise the BSR.
- Commentary on the BSB recommends (on request):
 - Full, current and historical fire risk assessments;
 - Planned maintenance and repairs schedules;
 - Outcome of building safety inspection checks;
 - How assets in the building are managed, e.g. frequency of lift maintenance;
 - Details of preventive measures, e.g. smoke alarms;
 - Fire protection measures in place, e.g. sprinklers, fire extinguishers;
 - Information on the maintenance of fire safety systems;
 - The fire strategy for the building;
 - Structural assessments;
 - Planned and historical changes to the building.
- Evacuation (or not) plans
- Some key issues around mixed/multi tenure schemes
- Also challenges around service charges

Issues to consider

- Culture – transparency and trust (not just in high risk buildings)
- How do you deal with safety issues? Policing v. softer approaches
- Building specific approaches – implications?
- Information to supply
- Decisions that residents will be involved in / Support to be provided
- Cost recovery (esp long leaseholders re: Building Safety Charges)

Good practice



- The Social Sector (Building Safety) Engagement Best Practice Group: Final Report
- <https://www.gov.uk/government/publications/the-social-sector-building-safety-engagement-best-practice-group-final-report>
- Key points:
 - Communications are key (see Communication hexagon)
 - Person-centred
 - Co-creation benefits
 - Personalised – different approaches
 - Broader culture



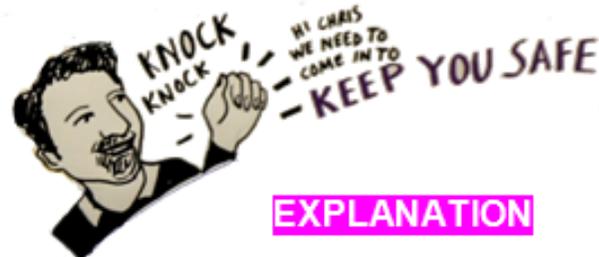
PERSONALISED

- Listen and respond to resident concerns
- Target appropriate actions to the needs of different resident groups
- Think outside the box



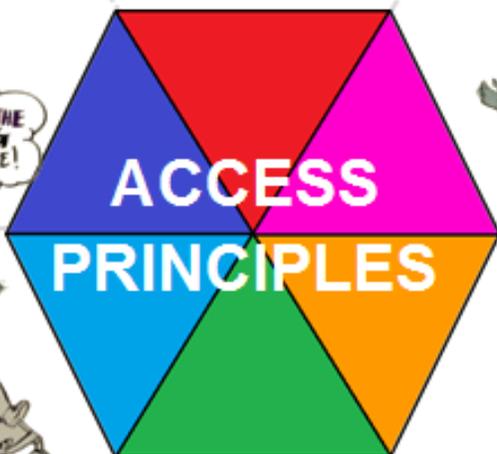
TRUST

- Understand where residents are coming from
- Foster positive interactions from day one
- Be transparent and ensure that resident expectations are met



EXPLANATION

- Provide all information up front, including a timetable of works
- Use simple language and pictures where possible
- Explain the possible impacts of work (e.g. visual impact on the home, etc)



COMMUNICATION

- Use a range of communication channels to reflect the needs and demographics of residents
- Identify the trusted voices within a community and harness their support
- Ensure regular communication and reinforce messages throughout a campaign



IMPACT

- Understand the impacts that a request for access will have on a resident (e.g. timings; noise, etc)
- Put right any adverse impacts (e.g. clean up any mess and redecorate)
- Be clear with residents about possible impacts from the outset and ensure ongoing conversations

DELIVERY

- Offer flexible services that work for residents (appointment times, etc)
- Have the correct monitoring in place to ensure the quality of work and deal effectively with any problems
- Delivery should be underpinned by strong resident engagement

Learning from others (1)

- Influence of Scottish approach
- Tower Blocks UK
- Camden – Building Safety Advisory Panel / ‘Accountable Person’ trial
- Fixmyblock.org and Tower Blocks UK
- Network Homes – Building Safety Resident Engagement Strategy
- South Tyneside Homes – Resident Engagement Strategy and Building Safety

Learning from others 2

- Avoiding command/control policing – get creative:
 - Tamar - use of social media #SafetySaturday
 - Optivo – resident-led scrutiny group led communications
 - Places for People – Fire Safety weeks; training to Customer Action Group
 - Clarion – Key cards / information sheets
 - Hull CC – “block champions”
- Roles and skills – marrying technical and people skills – communication is key!
- Enhanced ownership from the Board down
- Knowledge of buildings and the people – individual needs
- Role of tenants in monitoring?
- Appliances – access; testing; support
 - White Goods Register - <https://www.registermyappliance.org.uk/>
 - Product recalls - <https://productrecall.campaign.gov.uk>



Thank you



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Health and safety issues for local housing authorities – satisfying the regulator

Local housing authorities have been registered providers (RPs) for many years but it is only recently that the practical implications of regulation have been manifest.

In October 2019 we published a bulletin to explore those implications for what the Regulator of Social Housing (RSH) terms LARPs – local authority registered providers.

In this update we focus on those health and safety issues which, for reasons that hardly need explanation, are uppermost in the minds of all those involved in local authority housing – not just members, officers and tenants – but also the RSH.

SAFETY "AT THE HEART" OF REGULATION

The Social Housing White Paper (the White Paper) issued last year set out the Government's intention to introduce a significantly different and in particular a much more proactive regulatory regime. The RSH's chief executive, Fiona MacGregor, recently wrote to local authorities (LAs) about the RSH's plans to engage with them about the changes to consumer regulation.

This included the overall aim of putting safety at the heart of social housing regulation and specifically to change the objectives of the RSH explicitly to cover safety.

We now await the implementation of those changes, including legislation; but for some time now the RSH has shown itself ready to take a tough line, especially on health and safety. In April 2019, after Gateshead Council received a regulatory notice (see below), Fiona MacGregor wrote to all LAs with housing stock and reminded them that they are subject to the consumer regulation standards and are expected to liaise with the RSH in an open and transparent manner in relation to actual or potential breaches.

Since then other notices have been issued – making nine in all (as listed in a later section).

This is the right time therefore to take a closer look at what this revised regulatory regime means for LAs, especially in the context of health and safety.

THE STANDARDS

The regulatory standards include sweeping or otherwise onerous obligations to comply with a wide range of obligations on key issues. The Home Standard requires that landlords "meet all applicable statutory requirements that provide for the health and safety of occupants in their homes."

Those statutory requirements are many and various, but from references in the regulatory notices issued so far (see below) and our own knowledge we believe that LARPs can expect their compliance to be judged especially by the following legislation:

- *Fire safety* – Regulatory Reform (Fire Safety) Order 2005 – currently being amended
- *Gas safety* – Gas Safety (Installation and Use) Regulations 1998
- *Electrical safety* – Landlord and Tenant Act 1985 – fitness for human habitation
- *Asbestos* – Control of Asbestos Regulations 2012
- *Water safety* – Control of Substances Hazardous to Health Regulations 2002 – legionella
- *Generally* – Health and Safety at Work etc. Act 1974

REGULATORY NOTICES SO FAR

The RSH has served notices finding a breach of its standards against the following local authorities:

- *Arun* (August 2018) – for health and safety (i.e. fire and water) breaches
- *Gateshead* (April 2019) – for a range of health and safety breaches [by its ALMO]
- *Canterbury, Dover, Folkestone & Hythe and Thanet* (September 2019) – for a range of health and safety breaches [by their jointly owned ALMO]
- *Runnymede* (October 2019) – for health and safety (i.e. fire and electrical) breaches
- *Lambeth* (November 2019) – for health and safety (i.e. fire, gas and asbestos) breaches
- *South Kesteven* (February 2021) – for (inter alia) health and safety breaches

HOW IS THE HOME STANDARD REGULATED?

As we explained in our first bulletin, the RSH is essentially concerned with corporate failings. This means that it does not usually deal with individual complaints or specific issues – those are matters for the Housing Ombudsman; the RSH focusses on systemic failures, i.e. where assurance mechanisms and decision-making have failed.

It is also important to appreciate how the RSH gains or gathers information. This of course depends on the type of issue under review. In the case of health and safety matters it currently depends on either self-referrals or on 'external' sources, including resident or councillor complaints, whistle-blowers or the national or local media.

The White Paper commitments, however, included the introduction of routine inspections for landlords with over 1,000 homes – which we assume will cover all LAs.

After receipt of this information the RSH has to decide whether and how to investigate.

In relation to the consumer standards it is currently constrained by the legislation that requires it to be reactive only and not to take action unless satisfied that there is actual or potential "serious detriment" to residents. (The RSH currently interprets this to mean "serious actual harm or serious potential harm to tenants".)

But the White Paper promises to remove this test – though we anticipate that it will still be required to act proportionately.

The RSH expects RPs, including LAs, to be open and transparent with it. If the RSH hears of a breach directly from the RP/LA that helps reassure the RSH that the RP/LA has the capacity and willingness to sort out problems. If the RSH only discovers the breach - perhaps from a whistle-blower or through the media - some time later, i.e. after the RP has identified the issue, this undermines the RSH's confidence that the RP/LA can be trusted to resolve this and other problems.

The RSH publishes summaries of cases dealing with the consumer standards. They indicate how the RSH assesses "serious detriment". As the list above shows, all regulatory notices have involved or included health and safety matters, where the serious detriment issue is usually clear-cut.

The case summaries are well worth reading, at least to understand the RSH's current approach. That approach will of course change when the White Paper commitments are implemented.

THE REGULATOR'S POWERS

The RSH's guidance on its approach to intervention, enforcement and the use of its powers identifies the powers as applicable to LARPs. They can be summarised as follows:

- directing Homes England or the Greater London Authority not to give grant;
- collecting information etc.;
- carrying out a survey;
- carrying out an inspection;
- carrying out an inquiry and audit;
- serving inspection notices;
- requiring the tender of a local authority's management functions;
- transferring a local authority's management functions;
- appointing an adviser; and
- censuring a local authority employee or agent during or following an inquiry.

ALMOS

It will be noted that two (in fact five) of the six (nine) notices served on LARPs have involved ALMOs. The RSH holds LARPs responsible for the compliance (or otherwise) of their ALMOs or other contractors. It is important to bear in mind that the Grenfell Tower was managed by Kensington & Chelsea's ALMO.

Some ALMOs are RPs. We do not believe that The Gateshead Housing Company or East Kent Housing were RPs, so there is no obvious precedent; but we do not anticipate that this will affect the RSH's approach. It can certainly be expected to resist the suggestion that a local authority is entitled to rely on its ALMO's RP status as providing assurance that the ALMO was complying with the Home Standard.

It is noteworthy that in the White Paper the Government promises to render void any provisions in ALMO (or TMO) contracts which hinder the exercise of the RSH's powers.

HOW SHOULD YOU REACT TO PROBLEMS?

When an issue arises or becomes manifest the LA needs to assess quickly whether or not it constitutes a breach or potential breach.

In many respects the reaction to a health and safety issue is likely to be the same as for other issues – though there may well be added urgency and sensitivity.

The initial questions are obvious. What are the Regulatory standard requirements applicable to the situation? Have they been breached – and if this is not clear what do your advisers say? Is the breach 'material' (given its impact, breadth and longevity) and/or systemic in nature? The answers will determine how to investigate it – either internally or with external consultants. The timing and scope of the investigation are critical.

LAs also need to be aware that they can inadvertently create liability for themselves. Reports can exacerbate risks. It is important to take account of the rules on disclosure and the duties owed to any insurers who may be involved. If experts are instructed through lawyers then the LA may be able to argue that the report is subject to legal professional privilege – a directly commissioned report is not.

There is a tendency to acknowledge fault and create future legal and regulatory difficulties. A carefully drafted brief and a disciplined process can avoid those difficulties, without preventing the facts from emerging and solutions being found.

When and how the RSH is informed and engaged depends on the type and seriousness of the breach. Openness and transparency are important, especially where tenants' well-being is at stake and given the anticipated post-White Paper requirements; but the RSH will also expect the LA to get to grips with the situation and identify the extent of the problem itself. The LA must exercise judgement in deciding when it has sufficient information to alert the RSH and have a sensible discussion with it; but delay should be avoided. The RSH always prefers to be informed and kept informed.

The role of the Housing Ombudsman should also be borne in mind. The Ombudsman has enhanced its profile recently and in particular has signalled that it will be working more closely with the RSH.

HOW IS THE REGULATOR LIKELY TO REACT?

The RSH can respond in various ways. Its choice will depend not just on the breach but also the LA's own response to the issue. The RSH will expect the LA to be proactive and to find a solution. The RSH often seeks external assurance that the remedy is correct, so a clear action plan, based on or supported by external advice, is valuable.

The RSH often looks to governance solutions for Private RPs (PRPs) – i.e. housing associations – but these do not apply to LAs, which have statute-based accountability and authority. Instead the RSH could appoint an expert to work with the LA and even require that housing management be transferred to another provider – to select two obvious powers in the list above.

So far the RSH has only served LAs with regulatory notices; but the tone/text of the notice are important for a LA's reputation, given that they will show how the RSH views the LA's capacity and willingness to resolve the problem. The notice will have public and therefore political, as well as practical, repercussions.

WHAT SHOULD YOU BE DOING NOW?

You have no doubt been focussing closely on health and safety and you may believe that you are compliant; but is that in fact true and even if it is can it be evidenced? How confident are you that your current procedures and systems will cope with future pressures? What assurance regime do you have in place? Can it be strengthened and made fit for purpose under the regulatory and legal environment?

You should also monitor future changes to the regulation regime. We have identified some of them in this bulletin but we cannot be sure how the White Paper's recommendations will be put into effect.

And LARPs will be conscious that formal standards are not everything. Tenants will judge them by other 'standards' too. This is not easy and will be burdensome – but avoiding or mitigating the impact of a regulatory intervention saves a great deal of time and effort, which as LARPs fully understand is better spent on delivering good services.

We would be pleased to help you - and in particular provide guidance if you are unsure about the scope of your legal responsibilities in specific areas of your work. We have decades of experience of dealing with regulatory issues for and with our large number and wide range of PRP clients – discussing prospective or actual interventions and helping them decide on the best response and approach. Please take advantage of our long-accumulated and deep expertise.

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Background

To comply with the Home Standard, all social landlords and Registered Providers have a legal obligation to ensure that their properties comply with health and safety requirements. SCH are committed to working towards to a zero approach to non-compliance and to ensure all Legislative and British Standards are adhered to.

Home Standard – Key Compliance Framework



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Home Standard – Current Performance (QTR 4)

Compliance Activity	Total Number of required Inspections	Number out of compliance	Overall Compliance performance
Gas Safety Servicing	8147	4	99.95%
Annual Fire Risk Assessments	38	0	100.00%
Low Rise Fire Risk Assessments	684	0	100.00%
Asbestos Inspections	701	0	100.00%
Legionella Monitoring	54	0	100.00%
Passenger Lifts (LOLER)	77	0	100.00%
Electrical Inspections - Communal	701	0	100.00%
*Electrical Inspections - Residential	9782	251	97.43%

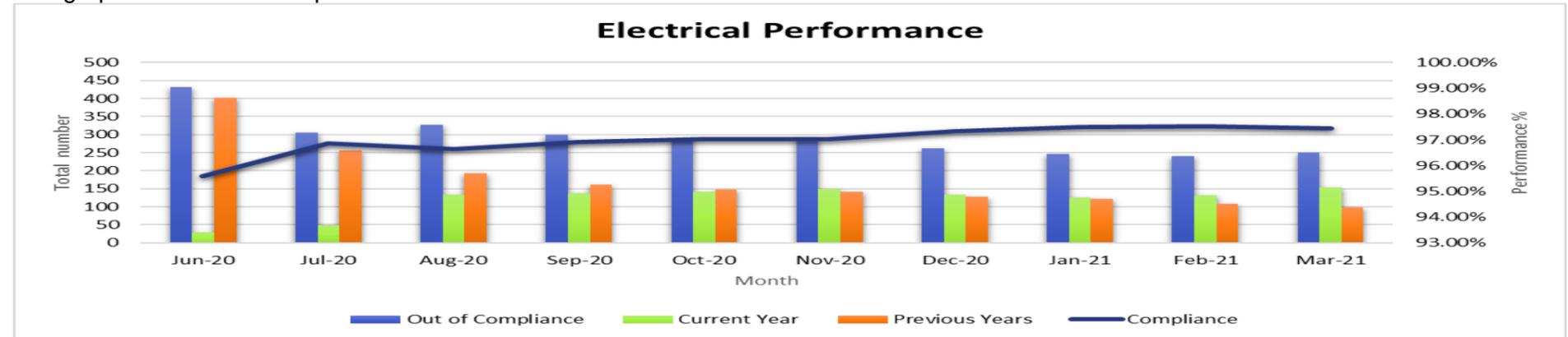
Other than those considered under exception reporting there were no significant issues with building compliance performance.

*Non regulatory electrical inspections (251 properties out of compliance 64 have never had an electrical inspection)

Electrical Inspections

Performance for Electrical inspections continues to increase and further improvements have been made to tighten up our approach that closely mirrors the gas process. In addition to the formal process, the safer homes team have been conducting telephone calls to customers ahead of their appointments as a reminder and are utilising a customer liaison officer to visit homes where access has been refused. At the end of Q3, letters were issued from legal services warning of court action if these tests were not carried out. Of 111 cases initially identified, with the letters posted in mid-December, 77 have had their tests completed and the remaining 34 are under investigation. In addition to the increase in access to the longer term properties out of compliance, there has been an increase in weekly completions with an average of 62, which is an increase on the start of the quarter of 39

The graph below illustrates performance over the last ten months.



We have taken the opportunity to benchmark our performance against similar organisations. Whilst all three organisations follow the same method and process, starting with a three letter stage increasing in severity, the reporting of compliance varied between organisations, with only Dudley reporting in the same manner as SCH with a fixed, specific compliance date associated with each property. Although Sandwell are moving to this method they will still build in a two month grace period. Wolverhampton Homes, do not currently report on performance for this area.

Organisation	Stock Size	Current Performance (COVID)	Normal Performance	Organisational comments
Sandwell MBC	29000	89%	95%	Sandwell MBC reported their compliance rate would normally be around 95%, but had seen a significant drop in this during the past year due to COVID. Sandwell MBC are keen to further discuss what SCH have found to work to achieve a compliance of above 97% over the past year
Dudley MBC	21500	91.5%	97%	Dudley MBC have confirmed that they are currently reporting 91.5% compliant, which equates to approximately 1800 overdue tests. Dudley MBC would consider the maximum they could achieve, and to give an indication of where SCH's performance is in relation, they confirmed at best they would report around 97%.
Wolverhampton Homes	22000	Do Not Report	Do Not Report	Wolverhampton Homes take the year as a whole, rather than each property having a specific compliance date as SCH do. A property will be due in that year's programme, of which they then allow and extra 6 months into the next year to "Mop up". No Accesses at this point are then handed to Housing Management.

Legislation update

Electrical safety in private rented homes has now become legislation. The new regulations require landlords to have their electrical installations in their properties inspected and tested by a competent person at least every five years. In response to this, the Government has invited a range of organisations with technical expertise on electrical safety, including industry professionals and landlord representatives. The aim of the Working Group is to provide a forum to discuss the best way to ensure social homes are safe in respect of electrical safety in the view of putting the social sector on the same statutory footing as the private sector. Whilst this is something we currently do at SCH, a legal footing would help us to gain access to properties to avoid non compliance. During this reporting period we have achieved our first Court Injunction for access in relation to complete an electrical test.

Compliance Exception Reporting

Gas Servicing

Performance for gas compliance has increased slightly from Q3 report. However, entry into another national lockdown did provide some challenges in accessing properties where residents were extremely clinically vulnerable, but regular communication and safe working practices have provided assurance in most cases that the service could continue as planned. One gas service is however currently going through an application for injunction due to a number of access attempts being refused which is not COVID related.

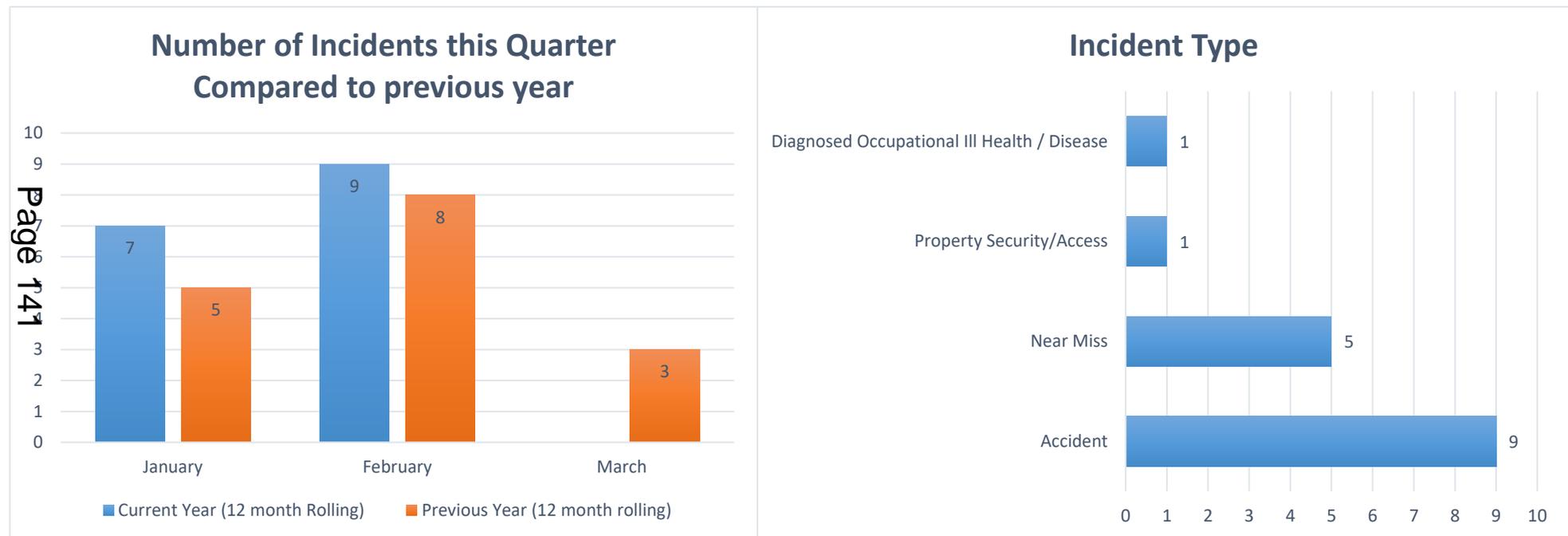
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Solihull Community Housing

Health and Safety Incident Statistics - Quarter 4 January – March 2021

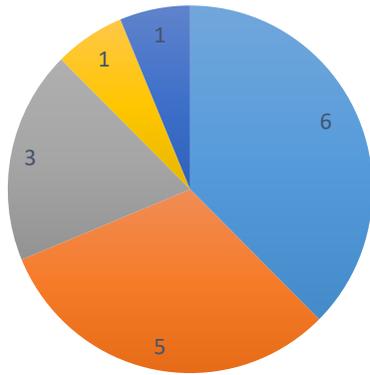
There were 16 incidents this quarter. A summary of each incident this quarter can be found at the end of this document which also provides some information on any investigation and findings.

Incident data has also been included for the year to date as a rolling comparison between the previous (2019/20) and current year (2020/21).



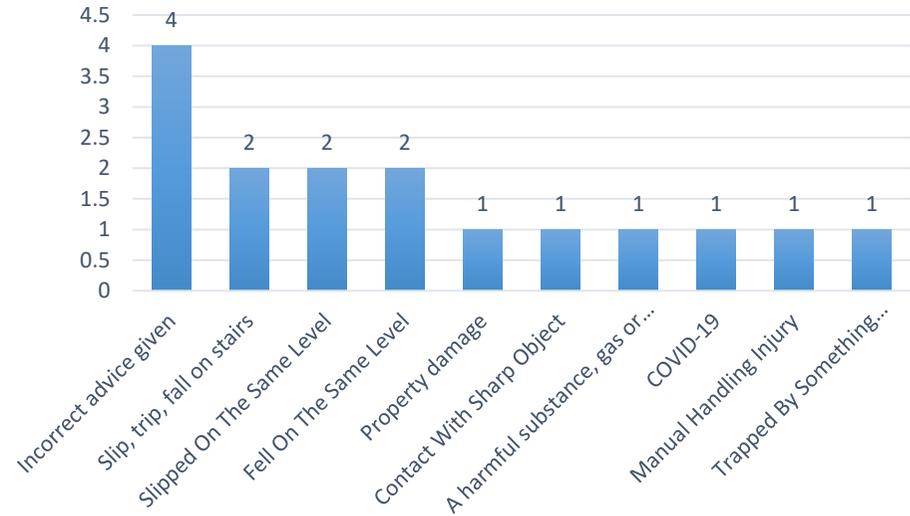
NOTE: The graph above includes 1 RIDDOR Reportable Disease due to Covid-19 potentially contracted in a work situation

Person Involved

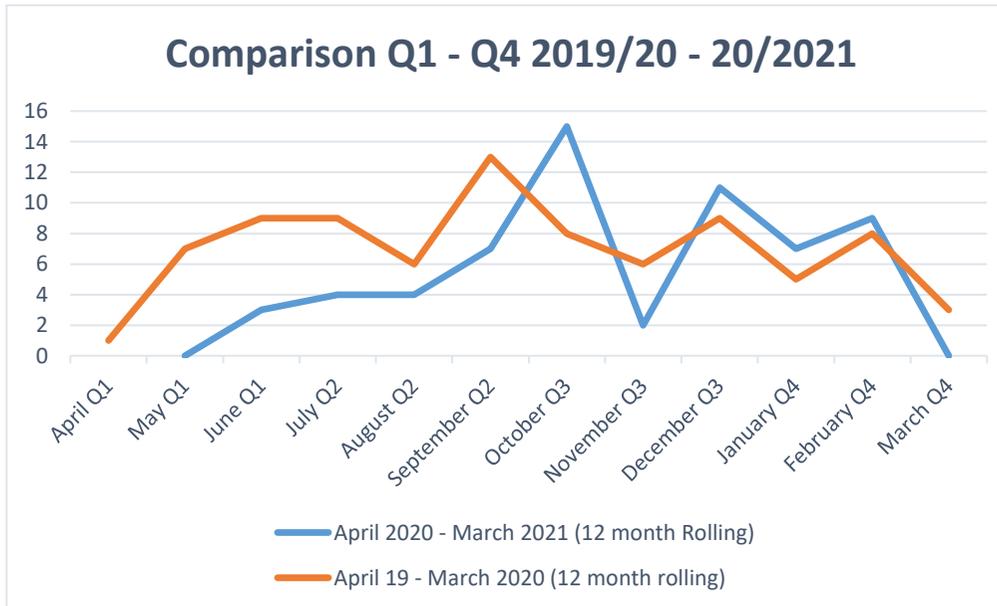


■ NA ■ Tenant ■ Employee ■ Apprentice / Work Placement ■ Child / Young Person

Incident Type



Comparison Q1 - Q4 2019/20 - 20/2021



Incident Summary

Employee/Contractor/Agency Incidents

No.	Date of Incident	Service Area	Type of Incident	Summary	Management Response
1	1/2/2021	Responsive Repairs	Accident	Repairing a garage door that had come off its rail	<p>IP appeared to be rushing to change the garage door. IP thought that the tension in the spring appeared to have already been released and tension unloaded as the spring was sagging and both cables were loose and unable to take up the weight of the door, the door was then supported via a prop so the preventative lock off measure to the spring which is done by releasing the spring lock wheel to unload the spring then re locking the 3mm grub screws as pictured whilst loaded had not taken place. The cable may have been jammed in the cone by the cable itself making appear the spring was unloaded when it was not on moving forward to remove the spring unit itself the tension of the spring released causing the injury to his hand. IP was on light duties for 6 days.</p> <p>In future garage door springs will be treated as loaded, the preventive measure of physically unloading the spring will take place regardless of the visual look of the unit there by ensuring there is no chance of it unloading any tension or the 3mm grub screw must be locked off when loaded regardless.</p>
2	11/1/2021	Cleaner Greener	Accident	Removing laminate floor when a piece shot up and hit IP in eye. Taken to hospital by partner.	<p>IP wasn't wearing PPE in terms of wearing his goggles. Manager has advised and reviewed the risk assessment with IP who accepts he should be wearing goggles.</p>
3	21/1/2021	M&E Investment	RIDDOR Reportable Occupational ill health/Disease	Possible contracting Covid-19 in a workplace setting	<p>Redwood House had seen an outbreak of Covid and IP had been in the communal areas. Reported as a work related exposure to Covid but this is not confirmed as the cause of exposure. Deep clean undertaken and emergency repairs only.</p>

4	7/1/2021	Responsive Repairs	Near Miss	Covid-19 related	<p>Resident wanted to watch the work being carried out. Operatives repeatedly asked him to move away to a safe distance but he kept moving back.</p> <p>Operatives have been advised that customers should be reminded to remain at least 2 meters away, and ideally in another room. Should the customer not adhere to this then to move themselves away to a safe distance.</p> <p>Operatives have also confirmed that they are wearing masks at all times and regularly hand sanitising to reduce the potential risk AFARP.</p>
5	12/2/2021	Responsive Repairs	Near Miss	Covid-19 related	<p>SCH operatives were called to a communal repair on a low rise block when locating the leak from the roof they knocked on a private tenanted flat that was affected by the leak. After asking the Covid related questions the resident informed them that she had tested positive for Covid. SCH wouldn't be informed that this resident had Covid as they are a private tenant but it was identified by asking the relative Covid questions at the door. The operatives called to inform me to add this property to the Covid positive list.</p>
6	1/2/2021	Responsive Repairs	Near Miss	Covid-19 related	<p>SCH weren't informed by the tenant that they had tested positive for Covid when the job was raised and scheduled no symptoms of Covid were present. It wasn't until operatives attended the repair that SCH were made aware by the tenant.</p>
7	19/1/2021	Responsive Repairs	Near Miss	Covid-19 related	Awaiting response
8	21/1/2021	Responsive Repairs	Near Miss	Whilst undertaking repairs observed abusive behaviour and subsequent arrest of tenant	<p>Operatives arrived to replace the flat front door and frame as the front door was completely boarded over. Tenant arrived with partner (partner and tenant had been arguing). Tenant (without a mask) appears to have been trying to get protection by standing close to Operatives. The tenant called the police due to the abuse being received from their partner which escalated and resulted in the tenant's partner being arrested.</p>

					<p>Operatives continued to undertake the work as the abuse was not directed at them.</p> <p>Not sure if this needed to be recorded as a near miss as the customer or the customers partner were not aggressive or abusive physically or verbally to the operatives. I think the customer was just looking for some sort of protection from the operatives as the couple appeared to be arguing before the operatives arrived.</p> <p>The operatives did not feel threatened at any stage of this incident.</p> <p>Suggest some communication to staff re what constitutes a near miss relating to abusive behaviour.</p>
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Tenant/Customer/Members of Public Incidents

Page No.	Date of Incident	Type of Incident	Summary	Management Response
145	22/1/2021	Accident	Bannister came away from the wall resulting in a fall and injury. Injury sustained on right ankle which was already injured	<p>Emergency job raised and repair carried out. A programme of stock condition surveys have been commissioned which will help to identify H&S issues early on.</p> <p>Residents are reminded to report repairs to their property promptly for remedial action to take place.</p>
2	21/1/2021	Accident	Socket was hanging off the wall which has been reported - tenants daughter caught foot on socket and cut her foot	System shows the repair was reported 25/01/2021 15:10. The repair was completed at 25/01/2021 17:32. No further action.
3	3/2/2021	Accident	<p>Tenant entered his garage to take car out. As he did so, the lintel to the garage snapped/ broke and caused the garage door to fall and hit him on the head. IP fell inside the garage causing the door to close behind him and he became trapped inside.</p> <p>Tenant had to shout/make noise to alert passers-by to help him. Passers-by helped open the garage door to</p>	<p>Operative attended site to investigate the garage lintel. it was identified that the garage required a new door and frame. The garage was temporarily made safe until a full repair can be completed. An order has been placed for a new frame.</p> <p>Temporary repair to make garage safe whilst awaiting new frame to arrive.</p>

			help tenant out, he then got hit again on head as he walked under/out of the garage door. Customer not entering garage this evening. Emergency repairs order raised to make safe/ retrieve vehicle. Tenant sought medical advice from 111.	
4	8/2/2021	Accident	Tenant was at the top of the stairs, as she put her weight onto the bannister to make her way down the stairs, the bannister broke underneath her, which caused her to fall down the stairs and injure her back. Bannister is now hanging away from the wall, and will have a repair raised to make safe.	<p>Report of handrail loose from wall. there have been no reported issues with the bannister previously, although repairs have frequently been carried out at this property, including, window catches, kitchen cupboards. The handrail was repaired the same day.</p> <p>A programme of stock condition surveys has been procured which will assist in identifying H&S risks as well as general stock condition. Residents are also reminded to report repairs promptly to avoid further damage or accidents occurring.</p>
Page 146	12/2/2021	Accident	Whilst letting the dog into the garden the tenant slipped and fell over, and was unable to move. The weather was icy. The tenant rang for an ambulance who took him to hospital, where he spent most the day. Tenant had broken right ankle.	<p>Paving in front of bungalow had raised causing a trip hazard. The incident was reported to repairs as an emergency. The weather was icy which may have contributed.</p> <p>The operative attended the following day and re-laid the slabs. There were no previous reports of the slabs being in an unsafe condition. Residents are reminded to report repairs promptly to avoid any accidents.</p>
6	17/2/2021	Accident	Tenant slipped on water in kitchen.	<p>A previous repair was reported due to water penetration into the kitchen on 9th February, on investigation the soil stack had cracked which caused water to spill onto the kitchen floor.</p> <p>When the resident reported the same issue on 19th February, the operative returned and checked the soil stack which was working perfectly and was not the cause of the leak. a faulty joint on the copper pipework was leaking which was then replaced on both hot and cold feed with speed fit pipe.</p> <p>There is further treatment to be done to the kitchen as the previous leak has caused mould to form in the cupboards and require replacement.</p>

				These repairs were not linked and the resident reported the issue as soon as possible.
7	23/2/2021	Accident	Son of tenant was in walk in shower, mum was in showering washing him and stepped out of shower to support him getting out. Son suffers with spasitivity which caused him to seize up. When getting out the shower this happened and consequently caught toe on the lip of the walk in shower which caused him to fall forward onto his face.	<p>There was a delay with investigating this as the property address is listed incorrectly and no repair was raised.</p> <p>Resident is a new tenant and has been in the property since December 2020. The property is fitted with a raised shower tray. The property had some minor adaptations fitted in the property which included low level grab rails. The shower tray is not faulty and grab rails are in place, however a referral has been made to the OT team to see if there are other suitable options such as a level access shower.</p>
8	16/2/2021	Property related Incident	Tenant was in the kitchen sorting washing out and noticed that the kitchen ceiling was cracking, so started to move out of kitchen and then ceiling fell on top of tenant.	<p>A leak was identified in the wet room on the first floor which had accumulated water under the Tigris flooring, this caused part of the ceiling underneath to crack and fall.</p> <p>The day after the accident was reported an operative attended and made safe the ceiling and board it up.</p> <p>The leak was identified in the wet room and jobs were raised to re-grout the shower tiles, renew the shower tray, ducting, shower pump and replace the Tigris floor covering.</p> <p>The kitchen ceiling has also been re-plastered following the works to the wet room.</p> <p>There have been previously reported leaks in the wet room which have been rectified, but the root cause of the leak was clearly not identified and repaired correctly.</p> <p>The work to the wet room has been completed by the customer service teams who have a wealth of experience and are also being used to support training and mentoring to existing staff.</p>

SOLIHULL COMMUNITY HOUSING

BOARD MEETING: 7 JUNE 2021

REPORT OF THE CHIEF FINANCIAL OFFICER

Outturn 2020/21

1. Purpose of Report

- 1.1 To update the Board on the financial outturn for 2020/21 for capital and revenue within SCH and for the HRA.

2. Recommendation – Item for Noting

- 2.1 The Board is asked to:

- (i) **NOTE** the draft revenue and capital outturn for SCH for 2020/21
- (ii) **NOTE** the age of outstanding Accounts Receivable Debt
- (iii) **NOTE** the latest draft HRA outturn for 2020/21
- (iv) **NOTE** the utilisation of £3,200 use of SCH reserves
- (v) **NOTE** the draft end of year reserves position

3. Financial Performance 2020/21 - General

- 3.1 The end of year Financial Dashboard is attached at Appendix 1 and summarises the draft revenue and capital financial performance for the year to 31 March 2021. The Revenue position totalled break even. In addition, there was £2.102million (10.5%) underspent on Capital.
- 3.2 This position is prior to the external audit and any significant changes from this outturn position will be reported alongside the statutory accounts at the next SCH Board meeting on 21 June 2021.
- 3.3 SCH manages the Private Sector Adaptations capital programme funded from the Council's General Fund and this was £526k underspent (34.7%).
- 3.4 The year's financial performance was affected by the Covid pandemic and a number of budgets saw non-typical activity. Whether this was impacting on normal spending levels such as staff recruitment or having to purchase supplies and services that were different. Overall, the results were positive and the key differences from budgets are explained in more detail below.

4. Revenue Outturn

4.1 The table below sets out a summary by Service Area of the outturn compared with the annual budget.

Excluding IAS19	2020/21 Budget	Actual Outturn	Variance to Budget
	£'000s	£'000s	£'000s
Revenue			
Central Services & Performance Management	3,696	3,722	26
Housing Options	527	474	(53)
Housing Management	266	239	(27)
Rent Collection & Money Advice	928	882	(46)
Call Centre	702	689	(13)
Neighbourhood Services	3,661	3,672	11
SCH Owned Developments	(87)	(74)	13
MST Management	109	83	(26)
Day to Day Repairs	2,878	2,942	64
Void Repairs	2,000	2,021	21
Compliance	2,349	2,256	(93)
Asset Management Support Services	1,461	1,598	137
Asset Management Capitalised Projects	(11)	32	43
Governance & Facilities Management	687	654	(33)
Procurement	88	64	(24)
Sub Total Expenditure	19,254	19,254	0
Revenue Management Fee	(18,712)	(18,712)	0
Budgeted Surplus	181	181	0
Planned Use of Reserves	(723)	(723)	0
Revenue surplus	0	0	0

4.2 Central Services & Performance Management: total over spend of £26k. Predominantly due to increased annual leave and flexi leave owed to employees at year end driving an overspend of £76k. Offsetting underspends on IT Licences £26k, mainly due to lower than budgeted use of Housing Contacts software and Training £26k due to fewer courses taking place in year than planned. Other minor overspends total £2k.

4.3 Housing Options: underspend of £53k relates mainly to an anticipated reduction in the Homelessness Grant of £75k not implemented in 2020/21 and vacancies within the Homelessness team £34k underspend net of FHSG funding. Partly offset by an overspend on Temporary Accommodation of £48k relating to utilities and furniture due to price

increases and higher wear and tear experienced in year. Other minor overspends total £8k.

- 4.4 Housing Management: underspend of £27k due to posts vacant earlier in the year now recruited to.
- 4.5 Rent Collection & Money Advice: underspend of £46k comprises of a net underspend on court and warrant fees of £36k as minimal court cases and warrants taken out in year due to COVID-19. There is also an underspend of £16k on SMBC employed staff due to a pay saving caused by previously vacant posts filled by staff on lower scale points than budgeted. These underspends are partly offset by reduced Right to Buy (RTB) administration income from 33 property sales in 2020/21 (£43k) compared to a budgeted income for 42 property sales (£55k) and also other minor underspends of £6k.
- 4.6 During 2018/19 the level of rental income lost to the HRA due to void garages was higher than budgeted. It was therefore agreed at the Board meeting on 20 May 2019 that regular updates of void garages would be included within the quarterly financial reports. Table 2 below compares the current void rate to the 2019/20 financial position and the current budget position.

Table 2

2019/20 Year-end	2020/21 Budget	2020/21 Actual
29.9%	33.0%	33.0%

- 4.7 Contact Centre: underspend of £13k where £31k relates to staff vacancies throughout the year and a £1k minor underspend, part offset by an overspend of £19k on Out of Hours support for the Contact Centre due to reduced hours covered by staff and additional pressures relating to COVID-19.
- 4.8 Neighbourhood Services: overspend of £11k. Grounds Maintenance is overspent by £43k relating to additional high priority tree works required in year. On 28 September 2020 SCH Board noted that this additional cost would be funded by reserves if sufficient underspends could not be identified to fund this spend, however use of reserves has not been necessary. A further overspend of £22k relates to Cesspools, at present there are just over 30 properties connected to the cesspool service of which SCH should be directly invoicing 5. One of Asset Management's Project Managers is currently liaising with Severn Trent Water to determine if these properties can be connected to the main sewer system and the costs of doing so.

This process is currently at the feasibility stage and it is estimated that any potential start date would not be before March 2023. Underspends include High and Low Rise Cleaning £23k, the budget allows for a number of additional window cleans and / or deep-cleans. However, the standard of cleaning provided by the contractor this year has meant fewer deep cleans have been required. Housing Management Admin is £34k underspent due to vacancies and there are further minor overspends of £3k.

- 4.9 SCH Owned Developments: overspend of £13k due to the repayment of a £27k Home's England Grant received for a shared ownership property at 135-137 Warwick Road. The grant became repayable when the occupier purchased the remaining SCH share of the property. This overspend is partly offset by an underspend due to additional rental income of £9k at both Mason's Close and 134-137 Warwick Road and other minor underspends of £5k.
- 4.10 MST Management: underspend of £26k with a £30k underspend against Feasibility Studies, outturn was lower than forecast as the £13k cost for the Housing Stock Carbon study was lower than the expected cost of £21k. Other variances total a £4k overspend.
- 4.11 Day to Day Repairs: overspend of £64k primarily relates to Complaints Compensation with an overspend of £60k due to 11 disrepair claim payments. This overspend is partly offset by underspends within Property Repairs Day-to-Day relating to non-essential repairs being stopped earlier in the year due to COVID-19 including Materials £18k, Glazing £15k and Asbestos £13k. A further overspend of £33k relates to Standby, previously forecast to be £15k underspent. The costs include payments for the Wellbeing Service which had not been included in the budget setting process. The number of Standby call outs for both MST

and Contractors was 20% higher in Quarter 4. Other minor variances totalling an overspend of £17k.

- 4.12 The DTD actual average jobs cost at year end was £112.71, which is £23.00 (25.6%) higher than the budgeted £89.71 per unit and £19.04 (20.3%) higher than last year's actual cost. This is due to the COVID-19 response of Essential Repairs only resulting in less work orders being completed. Permanent staffing costs had not reduced as we were unable to 'furlough' staff. Additionally some staff were clinically extremely vulnerable and others shielding to protect family members. Given the reduced available staff and enhanced safe working practices some works have taken longer, and additional costs incurred for temporary / agency staff to ensure continuity of service levels.

	2020/21		2019/20	
	Actual	Budget	Actual	Budget
DTD	30,459 jobs @ £112.71 £3.433million	38,031 jobs @ £89.71 £3.412million	38,031 jobs @ £93.67 £3.562million	36,097 jobs @ £93.28 £3.367million

- 4.13 Void Repairs: overspend of £21k primarily relating to spend on contractors with an overspend of £76k in year. Building works subcontractors have been used to carry out works during 'peak' periods in the latter part of the year to ensure properties are available following easing of lockdown measures as a higher proportion of properties were received in the last 6 months of the year. There has also been an increase in expenditure on cleaning and clearing void properties due to the condition of the property when vacated. There are also overspends on the Better Places recharge for damp and mould and redecoration £44k, council tax £34k (£13k higher than 2019/20), utilities £11k. It should also be noted that new service standards, which were approved by ELT, have been introduced to enhance the void work standard and customer satisfaction. These overspends are partly offset by an underspend of £116k on materials (resulting from works being subcontracted) and £28k on the voids salary recharge.

	2020/21		2019/20	
	Actual	Budget	Actual	Budget
VOID	655 jobs @ £3,847.17 £2.520million	1,007 jobs @ £2,501.73 £2.518million	928 jobs @ £2,506.43 £2.326million	1,192 jobs @ £2,074.83 £2.473million

- 4.14 Compliance: underspend of £93k includes £120k underspend on Safer Homes due to forecast outturn for the Pain/Gain share due from Dodds due to an over recovery of overheads in year. A further £67k underspend is due to posts that remain vacant within the Asbestos team. These underspends were partly offset by overspends of £44k on Gas Day to Day contract with an 11% reduction in job numbers but a 6% increase in average job cost due to a change in how jobs are logged. The Fire Protection annual budget is insufficient to cover annual contract cost

resulting in a £44k overspend and the budget is to be realigned in 2021/22. Other minor overspends total £6k.

- 4.15 Asset Management Support Services: overspend of £137k, £84k of which relates to Biomass. The forecast overspend for Biomass at Quarter 3 was £1k, however Quarter 4 has seen increased costs across most expenditure lines including pellets £53k overspent likely to be a result of additional people at home due to COVID-19 and also a much colder winter than last year, electricity £66k overspent which includes £30k cost relating to 2019/20 and also call outs £23k overspent, partly offset by additional income of £57k. Full year spend on Stock Condition Surveys totalled £71k. On 30 March 2020 SCH Board noted the estimated £100k cost of Stock Condition surveys and the requirement that any forecast underspend be utilised to fund this additional cost however in the event there is insufficient underspend available, the Board agreed to utilise the SCH Budget Strategy Reserve to fund the net gap. The net overspend at year end was £3.2k, this has therefore been transferred from the Budget Strategy Reserve.

Elsewhere within Asset Management Support Services an underspend of £27k on the Stores cost centre relates to the year-end stock adjustment and there are further minor overspends of £12k.

- 4.16 Asset Management Capitalised Projects: overspend of £43k due mainly to reduced income as job numbers were lower earlier in the year due to COVID-19.
- 4.17 Governance & Facilities Management: underspend of £33k relating mainly to Endeavour House, £44k across premises costs, postage and stationery primarily as an impact of staff working from home. Board Administration is underspent by £16k in year due largely to the recruitment of a Board member not taking place as planned, with savings also on expenses and conference spend due to COVID-19. A shortfall of income of £21k for room hire at the Community Halls has been partly offset by a saving on cleaning costs at the halls of £6k. Other minor overspends total £12k.
- 4.18 Procurement: underspend of £24k relating to staff vacancies throughout the year of £14k and other minor underspends total £10k.

5. Age of Outstanding Accounts Receivable Debt

- 5.1 As shown on Appendix 1 at 31 March 2021 there was £127k outstanding accounts receivable debt over 90 days old. £105k relates to an invoice raised to SMBC for Quarter 3 DFG works. This invoice was paid on 14 April 2021. A further £8k relates to an invoice raised to Severn Trent Water for sewer baiting raised on 5 February 2020. The budget holder is currently in correspondence with Severn Trent Water to arrange

payment of this invoice. The remaining aged debt over 90 days relates to various invoices of minor value.

6. Housing Capital Outturn – Expenditure

- 6.1 As noted above SCH's capital outturn was £17.989million (£2.102million underspent against budget). The table below gives further details, with explanations provided in the paragraphs that follow. Capital spend on adaptations is covered in section 8.

	Variance		c/fwd	Saving/ Cost
	£'000s	£'000s	£'000s	£'000s
Approved Budget		23,990		
Less: - Items agreed to carry forward at Mid-year review				
Stock Developments carry forward	(3,021)			
Stock Improvements carry forward	(878)			
Latest Budget		20,091		
Less Underspends:				
Stock Growth & Development	(1,974)		(1,974)	0
Programme Management and ICT	(267)		(22)	(245)
Lift Refurbishment	(194)			(194)
Low Rise Overcladding	(113)			(113)
Sheltered Schemes	(98)			(98)
Cyclical & Envelope Works	(65)			(65)
Environmental and Estates	(40)			(40)
Add Overspends:				
Kitchens and Bathrooms	158			158
High Rise Sprinklers	157			157
Electrical Sub Mains	124			124
Public Sector Adaptations	71			71
Garage Strategy Implementation	67			67
MST Structural	48			48
Biomass	32			32
Net Minor Variances	(8)			(8)
Actual Outturn (SCH) Programme		17,989	(1,996)	(106)

6.2 Stock Growth and Development: underspend of £1.974million. The property acquisitions programme is underspent by £649k mainly due to unavoidable delays in conveyancing for 3 purchases, £468k and also the Next Steps Programme where the third property purchase will take place in 2021/22, £181k. Local authorities are required to spend the RTB 1-4-1 receipts, required to be spent within five years having been recently extended from three years. In 2020/21 the required amount of 1-4-1 receipts to be spent was £519k and the actual spend was £527k. A total carry forward of £638k for Property Acquisitions is requested.

- 6.3 A carry forward of £1.336million has also been requested on New Builds with works on the sites at Faulkner Road, Wagon Lane, Brackleys Way, Halifax Road and Willow Way approved by Cabinet on 11 July 2019. Works at Willow Way, Brackleys Way and Faulkner Road are now complete with the underspend of £171k relates to fees and the contingency budget. Works at Wagon Lane and Halifax Road have been delayed and are now due to finish in August 2021 and October 2021 respectively. These sites are underspent by £1.167million. Other minor overspends total £13k.
- 6.4 Programme Management and ICT: underspent by £267k. Carry forward of £100k from 2019/20 were not required and further works are expected to be identified next financial year when the results of the Workflow solutions project are known. A carry forward of £22k has been requested for IT equipment required towards the Blended Ways of working project.
- 6.5 Lift Maintenance: underspent by £194k. The three lift replacements due to take place in 2020/21 have now been delayed until 2021/22 due to supplier issues brought on by COVID-19 and Brexit plus delays with planning, therefore the only spend on this programme has been for surveys and design work carried out.
- 6.6 Low Rise Overcladding: underspent by £113k due to delays experienced in planning and obtaining Leaseholder agreements.
- 6.7 Sheltered schemes: underspent by £98k with works postponed until 2021/22 due to COVID-19 as the residents are deemed vulnerable.
- 6.8 Kitchens and Bathrooms: overspent by £158k, £103k of which relates to works on 33 Kitchens/Bathrooms carried out in 2019/20 which were not accrued for due to a system error. Also the number of kitchens and bathrooms completed in 2020/21 is 10% higher than 2019/20.
- 6.9 High Rise Sprinklers: overspent by £157k. In March 2020 Cabinet agreed an update to the capital programme to undertake the retrofitting of sprinklers to 37 high-rise buildings. The total cost of investment required is £9.500million over 4 years to be funded through the use of HRA reserves and working balances. Works have now commenced and spend of £965k on the project has been incurred in 2020/21 against a budget of £808k. The project scope for the pre-mobilisation phase of the project has widened to include 37 Pilots Installations Works and the design costs for the main programme. As a consequence, the spend for this phase of the project has increased from the initial budget that was set however the total cost of the project remains unchanged and the current year overspend is due to timing of the total project spend.
- 6.10 Electrical Sub-mains: overspent by £124k due in part to additional electrical works carried out following Fire Risk Assessments.

- 6.11 Garage Strategy Implementation: overspent by £67k due to works budgeted for in 2019/20 but with a completion date of 1 April 2020.
- 6.12 There were further year-end overspends on MST Structural £48k due to additional work in voids properties and Biomass £32k due to works to improve the plant including side infiltration.
- 6.13 Net minor variances totalled an £8k underspend.
- 6.14 All requests for HRA capital carry forwards will be submitted to the Council to be considered by Full Cabinet in June 2021.

7. Housing Capital Outturn - Funding

- 7.1 The table below details the actual capital funding sources used in 2020/21, compared to the budgeted amounts. The underspend within the new build and acquisitions outlined in paragraphs 6.2 and 6.3 above has resulted in lower than expected use of HRA Borrowing £472k, Homes England Grants £1.131million, Revenue Reserve £434k and Other Capital Receipts £584k. However, slippage on the new build projects has also led to an increased use of Right to Buy Receipts £702k due to timing differences between costs incurred and receiving Shared Ownership receipts. Use of Other Revenue Reserves increased by £205k mainly due to the High Rise Sprinkler project being ahead of the planned schedule. Use of the Main Programme funding was lower than expected by £388k due to a number of underspends.

Source	Allocation 2020/21 Budget £'000s	Revised 2020/21 Budget £'000s	Actual Outturn 2020/21 £'000s
Contribution re Future Capital Investment (revenue reserve)	1,782	873	439
Main programme funding (formerly Major Repairs Reserve)	12,957	12,193	11,805
Right to Buy Receipts (including 1-4-1 receipts)	335	1,524	2,226
Homes England Grants	2,147	2,075	944
HRA Borrowing	1,843	894	422
Other Reserves/Revenue	0	855	1,060
Other Capital receipts	3,669	1,677	1,093
Total	22,733	20,091	17,989

- 7.2 At the start of 2021/22, there is £61.699million capital funding available. Of this total sum, £28.880million was approved on 15 February 2021 by the Cabinet Member for Adult Social Care and Health as the housing

capital programme budget for 2021/22. The capital budget will be revised to include slippage and advances on spend in 2020/21 totalling £30.876million detailed in the table below. This provides £30.823million available for future investment.

Source	As per Approved Capital Budget 2021/22		Updated Funding at 31-Mar-21	
	Available £m	Allocation £m	Available £m	Allocation £m
Funding for Main HRA Capital Programme:				
Main programme funding (formerly Major Repairs Allowance)	15.801	14.304	15.633	14.326
Use of HRA Reserves for Retrofit of High Rise Sprinklers	8.692	2.897	8.535	2.897
HRA Borrowing for replacement of High Rise Spandrel Panels	5.254	5.254	5.254	5.254
Funding for Stock Growth Programme:				
Use of HRA Reserves for DIY Shared Ownership Scheme	1.000	1.000	1.000	1.000
Homes England Grants ¹	1.368	1.368	1.229	1.229
Non-RTB Capital Receipts (inc.Shared Ownership) ²	2.301	0.660	3.048	3.048
Unapplied RTB Receipts	11.184	0.000	10.841	0.000
Use of HRA Reserves for Property Acquisitions ³ (including 1-4-1 receipts)	2.157	2.137	2.775	2.775
Future Capital Investment Reserve	0.000	0.000	0.078	0.000
HRA Borrowing towards New Developments ⁴	13.605	1.260	13.306	0.347
Total Council Housing	61.362	28.880	61.699	30.876

¹ The reduced use of Homes England Grants (-£0.139million) follows a review of the expected grant receipt dates for future developments, the difference now assumed to be received in 2022/23.

² The increased use of other capital receipts (+£2.388million) reflects use of shared ownership receipts for new developments at Brackleys Way, Halifax Road and Wagon Lane which were originally expected to be received in 2020/21.

³ The increased requirement for use of HRA Reserves is in order to fund the Property Acquisitions budget for 2021/22. The increase anticipated to the budget is due to the carry forward of unspent budget of £638k to be requested as part of the Council's Outturn Report to Full Cabinet.

⁴ The reduced borrowing requirement (-£913k) is as a result of the increased use of other capital receipts to fund the HRA new build developments.

8. Private and Public Sector Adaptations Capital Programme – Expenditure and Funding

8.1 All adaptations undertaken are commissioned through the Council and where the requirements are for HRA properties, the funding comes through the HRA. The underspend for the private sector adaptations is partly due to a suspension of works during the year due to COVID-19, however these budgets were also significantly underspent in 2019/20. A joint project is therefore taking place between Adult Care & Support and SCH to increase referrals and workload. On 15 February 2021 the Cabinet Portfolio Holder for Adult Social Care and Health approved the proposed carry forward of £625k into 2021/22 and the requested carry forward will be required to clear the current back log of approximately 553 referrals.

8.2 The Private Sector Adaptations (branded as Solihull Independent Living – SIL) capital outturn was £990k which was £526k (34.70%) under budget. This underspend is made up of a £326k underspend within Disabled Facilities Grants, £101k within Minor Works and £100k on Private Sector Renewals.

	WORK COMPLETED 2019/20		WORK COMPLETED 2020/21		WORK ALLOCATED NOT COMPLETED
	No.	£'000	No.	£'000	No.
Private Sector (DFGs)	128	842	112	874	58
Private Sector (Minor Works)	1,657	181	842	115	No details of minor adaptations held

8.3 Public sector adaptations forms part of the HRA capital programme and was overspent by £71k. The table below shows the final year-end position for public sector adaptation numbers and costs and also gives an indication of the future works approved but still to deliver.

	WORK COMPLETED 2019/20		WORK COMPLETED 2020/21		WORK ALLOCATED NOT COMPLETED
	No.	£'000	No.	£'000	No.
Public Sector Adaptations (Major)	187	751	159	760	54
Public Sector Adaptations (Minor)	533	83	330	76	No details of minor adaptations held

9. HRA Outturn

- 9.1 Appendix 2 sets out the final Housing Revenue Account (HRA) for 2020/21. The overall HRA outturn was a surplus of £249k against a budgeted surplus of £629k (i.e. £380k worse than budget).
- 9.2 The variance between the budget and actual outturn can be explained below:

HRA outturn compared with 2020/21	£'000s	£'000s	Notes
Budgeted outturn position		(629)	
INCOME			
Reduced Dwelling Rent Income	207		
Planned Maintenance Income from Leaseholders	183		
Income from Temporary Accommodation	(2)		
Other Income	9		
sub-total Income		397	a
EXPENDITURE – GENERAL			
Contribution to Debt Impairment (Bad Debt Provision)	(1,430)		b
Interest payable/ receivable	(100)		
Other Expenditure	101		
Sub-total Expenditure		(1,429)	
ADD: Increased RCCO		1,412	c
Final HRA Surplus 2020/21		(249)	

- 9.3 The key reasons for the variations are as follows:

- a) HRA income is £397k less than expected, mainly due to £207k less dwelling rents income predominantly as a result of higher voids than

budgeted and £183k less income from Leaseholders for planned maintenance works.

- b) The required contribution to the HRA Debt Impairment Allowance (previously Bad Debt Provision) is (£1.430million) less than budgeted due to lower than expected levels of current tenant arrears.
- c) The contribution from revenue reserves to fund capital expenditure is £1.412million greater than budget. This is due mainly to £965k use of the High Rise Sprinklers Revenue Reserve and £379k use of the Future Capital Expenditure Reserve to provide 70% match funding for acquisitions made utilising RTB 1-4-1 receipts.

Reserves

- 9.4 There are reserves held by both the Council HRA and by SCH. Any use of HRA reserves will require Council approval.
- 9.5 Appendix 3 sets out the final HRA reserves position for Revenue and Capital with a net increase in HRA Revenue Reserves of £249k. This can be briefly summarised below:

HRA Revenue Reserves movement 2020/21	£'000s
Opening HRA reserves	(15,866)
Revenue surplus in year	(1,892)
Use of Reserves	1,643
Closing HRA Revenue Reserves	(16,115)

- 9.6 Included in this balance is the Minimum Working Balance of £2.000million the Council has approved with their External Auditors. In addition to the Revenue HRA Reserves of £16.115million, there are also HRA Capital Reserves that have a net decrease £2.289million summarised as follows:

HRA Capital Reserves	£'000s
Unused Major Repairs Reserve	(2,094)
Unused RTB Receipts	(11,542)
High Rise Sprinklers Reserve	(2,587)
Total HRA Capital Reserves Per Appendix 3	(16,223)

- 9.7 During the 2020/21 year, SCH Board had committed to use £724k of SCH Reserves and budgeted for a £181k surplus. The net impact of the break-even year end position, budgeted £181k surplus and a £442k revaluation gain from the SCH Developments results in a net reserve use of £101k.

SCH Reserves (excluding pension reserve)	£'000s
C/fwd from 2019/20	(10,398)
Budgeted Surplus for 2020/21	(181)
Revaluation surplus 2020/21	(442)

In-year agreed use of Reserves	724
Total SCH Reserves c/fwd to 2021/22	(10,297)

9.8 As agreed previously with SCH's External Auditors, the minimum reserves balance for SCH should be £1.500million resulting in a SCH revenue reserve balance of £8.797million. Of this balance, the SCH Board has previously approved the earmarking of sums totalling £1.569million to be used to fund future specific activities leaving an uncommitted SCH Reserves balance of £7.228million available for future decisions on its use. Details of the movements of SCH Reserves are attached at Appendix 4.

10. Final Statutory Accounts and impact of Pensions IAS 19

10.1 As last year, the SCH statutory accounts reflect the requirements of IFRS in full including the requirements of IAS19 in relation to pensions.

10.2 In the accounts the components of the change in the pension fund surplus or deficit are broken down into a number of different elements including contributions, actuarial surplus / deficit and the return made on the investment of assets. Some of the required entries are made through the current year revenue account and some are made through reserves.

10.3 The draft IAS19 deficit as at 31 March 2021 has been calculated as a deficit of £21.884million against an opening deficit of £11.986million – an increase of £9.898million. The main reasons for the pension fund deficit are a combination of past assumptions about the value of pension scheme assets and liabilities. These include assumptions about the number of contributing employees, their life expectancy, and most importantly future returns on the pension fund's assets (investments).

10.4 Every three years the Pension Fund undertake a revaluation, which can cause material fluctuations (see table below). The latest Triennial valuation based on 31 March 2019 information has taken effect from 2020/21 until 2022/23. The table below shows the valuation values from 2010/11 until 2020/21 and demonstrates the volatility.

Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
£'000s	8,571	13,644	7,114	12,517	11,709	14,792	14,406	14,740	11,986	21,884

10.5 Overall the impact of accounting for pensions on the 2020/21 financial accounts is as follows:

	2019/20 Accounts	2020/21 Accounts
	£'000s	£'000s

Reported (Surplus) / Deficit in year	286	543
Revaluation gain	0	(442)
IAS19 adjustments – revenue account	1,515	1,753
(Surplus) / Deficit in year after IAS19	1,801	1,854
IAS19 adjustment – Remeasurement (gain)/loss	(4,269)	8,145
Total recognised Surplus in year	(2,468)	9,999
Opening reserves Deficit	4,056	1,588
Closing reserves Deficit	1,588	11,587

Represented by:

SCH Revenue reserves	(10,398)	(10,297)
Closing IAS19 deficit	11,986	21,884
	1,588	11,587

11. Statutory Accounts and Audit

- 11.1 A draft set of accounts has been prepared in advance of the SCH External Auditors undertaking their annual inspection. The accounts will be presented to Audit and Risk Committee on 21 June 2021 before being approved at the SCH Board meeting later that day.
- 11.2 The external audit is currently in progress and at the time of writing this report there were no significant issues arising from the audit. The external auditors will also be presenting their formal management report to the Audit and Risk Committee on 21 June 2021 that will in turn be presented at the SCH Board meeting later that day.

12. Financial Implications

- 12.1 The variations within the report identifies a number of items of spend that will be reviewed as part of the 2022/23 budget preparation as will the assumptions for:-
- Rents due
 - Inflation
 - Debt impairment
 - Voids
 - Plans for 1-4-1 RTB spending
- 12.2 In addition, there are a number of projects that have recently commenced that are likely to impact on the 2021/22 budget. These include: -
- The outcome of the Workflow project is likely to lead to the need for a significant investment in future transformational work the scale of which is currently unknown.
 - The investment in specialist software to support improvements in rent collection and targeted financial support to vulnerable tenants.

- The implementation of a Smarter Ways of Working project will impact on investment in IT, potential modifications to accommodation and Organisational Development for staff.
- Intelligence from the Asset Management reviews on strategy and investment in carbon-saving programmes are likely to result in additional investment.
- Additional investment into Building Safety to address new legislative requirements for the Council will impact on the SCH Management Fee.
- Investment into Digital Transformation across SCH.
- Office accommodation to replace the Home Options office base in Chelmsley Wood.

12.3 It is proposed that the 2021/22 monitoring report includes a section identifying the additional costs arising from these projects along with the proposals of funding and the implications on the Medium Term Financial Strategy.

13. Equality and Diversity Implications

13.1 None arising specifically from this report.

14. Risk Management Implications

14.1 Financial monitoring and reporting of the financial outturn is a key element of the management of risk for any organisation.

15. Value for Money and Efficiency Considerations/Implications

15.1 None specifically arising from this report.

16. Tenant Involvement/Consultation

16.1 None.

17. Future Strategic Vision

17.1 The Strategic Vision is built on a foundation of strong financial management and the reporting of financial outturn is a key element of this.

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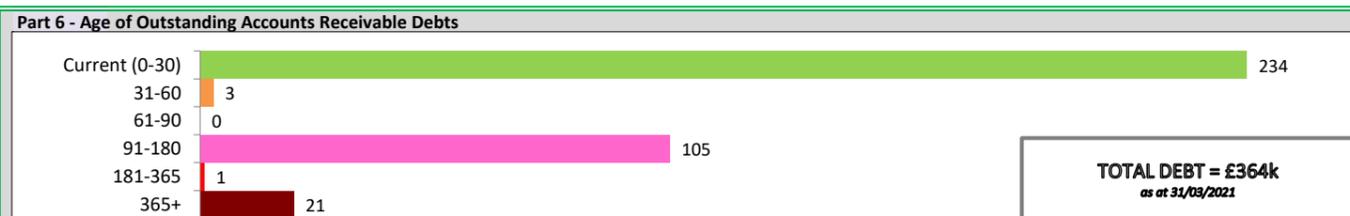
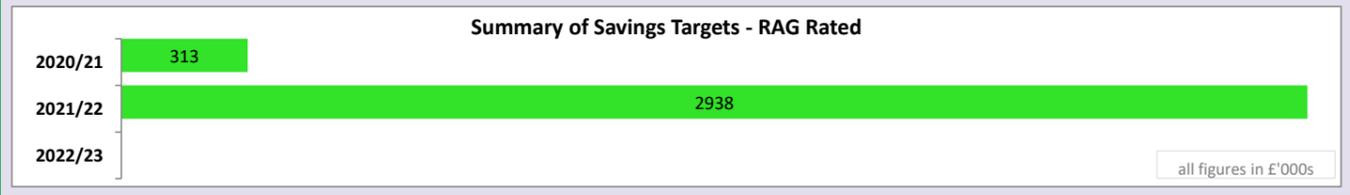
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Part 1 - Revenue Expenditure							Pay	Forecast	Overall Comment Pay outturn	Non-pay	Forecast	Overall Comment on Non-pay outturn
19/20	Service Area	20/21	Budget	Actual	Variance	Forecast	Variance at	Pay		Variance at	Non-pay	
Outturn		Budget	Period 12	Period 12	Period 12	Outturn	Period 12	Variance	Outturn	Period 12	Variance	
2,477	Chief Executive	2,299	2,299	2,406	107	0	19	0	Overspend due to pay awards.	88	0	Overspends include £76k year end accrual for annual and flexi leave owed, £54k restructure costs and £30k irrecoverable VAT charge. Partly offset by underspends including £30k on Head Office charges for internal audit investigations due to a reduced number of investigations compared to previous years, £27k conferences, £18k employee insurance, £13k legal fees, £16k other minor overspends.
4,966	Housing & Communities	5,294	5,294	5,192	(102)	0	(136)	0	Underspend of £93k due to vacancies in Housing Management, Neighbourhood Services and Tenancy Sustainment plus delayed recruitment to vacant posts in Homelessness resulting in £39k saving. £4k miscellaneous minor underspend	34	0	Overspend of £43k on grounds maintenance due to additional tree works, this has been funded by overall underspends and no reserves have been required. Temporary Accommodation overspent on furniture by £27k due to a higher turnover of tenants causing additional wear and tear and increased prices and also electricity £24k, tenants to be moved onto pay as you go meters rather than on the bulk invoice paid by SCH. Underspends include £36k on Income Collection due to a reduction in court cases and evictions in year, £23k on High and Low Rise cleaning and a £1k minor underspend.
8,611	Asset Management	8,787	8,787	8,932	145	0	(24)	0	Underspends of £32k in Day to Day and £39k in Compliance caused by vacancies, partially offset by an overspend of £38k in Scheduling due to agency spend and other minor overspends of £9k	169	0	Overspend includes £71k Stock Condition Surveys, part offset by £3k funding from SCH reserves. Other overspends include £84k Biomass Service with spend on pellets higher than previously forecasted, £60k complaints compensation due to a backlog of disrepair claims, £59k waste costs, disposal costs have increased alongside an increase in fly tipping throughout lockdown and £33k Minor Adaptations due to reduced income in year. Underspend of £120k on Safer Homes due to year end accrual for Dodds Pain/Gain share, higher than expected Dodds spend has led to a rebate for overheads incurred. Other minor underspends totalling £15k.
26	Procurement	88	88	65	(23)	0	(14)	0	Underspend due to vacant posts.	(9)	0	Underspend of £5k on ICT Licences, no spend in year and other minor underspends of £4k.
2,405	Customer Experience & Business Support	2,786	2,786	2,659	(127)	0	(31)	0	Underspend due to vacancies mainly within the Contact Centre.	(96)	0	Underspends include £44k Endeavour House mainly across premises costs, postage and stationery, £26k Training due to fewer courses carried out in year and £26k IT Licences lower costs for Housing Contacts software due to reduced usage. Lost income of £21k from Community Halls due to COVID-19 offset with a saving on cleaning of £6k. Other minor variances totalling £15k underspend.
18,485	Revenue Total	19,254	19,254	19,254	0	0	(186)	0		186	0	

Part 2 - Capital Expenditure				
19/20	Service Area	20/21	Variance	Overall comment on year-to-date variance and forecast outturn variance
Outturn		Budget	Period 12	Forecast Variance
10,957	Asset Management Capital	13,001	(128)	Underspends across several capital programmes due to delays including Lift Refurbishment £194k, Low Rise Overcladding £113k, Sheltered Schemes £99k and Cyclical Maintenance £72k. Other forecast underspends on IT Strategy of £243k. Underspends are offset by overspends on Kitchens £158k, Retro Fitting Sprinklers £157k, Electrical Submains £124k, Public Sector Adaptations £71k, Garage Strategy £67k and other minor variances totalling £9k.
858	Stock Growth Capital	7,090	(1,974)	Underspends on Wagon Lane of £753k and Halifax Road £413k due to slippage on the projects. Underspends due to outstanding fees and contingency funding of £28k Faulkner Road, £75k Brackleys Way and £69k Willow Way construction is complete on these projects. Property Acquisitions underspent by £649k due to significant delays in conveyancing outside of SCH's control. Other minor overspends of £13k.
11,815	Capital Total	20,091	(2,102)	

Part 4 - Summary of Revenue Savings by Service Area - currently rated Amber or Red					
Service Area	20/21	21/22	22/23	Total	Comments
Housing & Communities	0.0	0.0	0.0	0.0	All savings achieved and currently rated green for 2020/21 and 2021/22. No savings required for 2022/23
Asset Management	0.0	0.0	0.0	0.0	
Customer Experience & Business Support	0.0	0.0	0.0	0.0	
Chief Executive	0.0	0.0	0.0	0.0	
Total Savings	0.0	0.0	0.0	0.0	



Part 3 - 1-4-1 Receipts							
Year	Quarter	1-4-1 Cumul. Receipts	Cumul. Gross	Actual Spend	Cumul. Gross	Cumul. Spend	Cumul. Purchases
2020/21	Q1	408,852	1,362,840	1,431,705	429,512	(68,865)	0
	Q2	408,852	1,362,840	1,606,705	482,012	(243,865)	0
	Q3	496,435	1,654,784	1,678,921	503,677	(24,137)	-1
	Q4	516,503	1,721,677	1,730,043	519,014	(8,366)	-1
2021/22	Q1	845,575	2,818,584	1,730,043	519,014	1,088,541	9
	Q2	845,575	2,818,584	1,730,043	519,014	1,088,541	9
	Q3	1,143,429	3,811,430	1,730,043	519,014	2,081,387	17
	Q4	1,143,429	3,811,430	1,730,043	519,014	2,081,387	17

¹ Based on average purchase price of £130,000
From April 2021 the Pooling regulations have changed to allow 5 years to spend the 1-4-1 receipts and to increase proportion of receipts that can fund properties from 30% to 40%. These changes will be reflected in the Q1 Board Dashboard

Part 5 - Reserves						
Solihull Community Housing Reserves						
	Balance 31/3/19	Net Movement 2019/20	Balance 31/3/20	Actual Income 2020/21	Actual Spend 2020/21	Actual Balance 31/3/21
Minimum Working Balance	(1,500)		(1,500)			(1,500)
Budget Strategy Reserve (BSR) ¹	(3,194)	759	(2,435)		724	(1,711)
BSR: Restructure costs	(1,308)	130	(1,178)			(1,178)
General Reserve ²	(4,682)	(603)	(5,285)	(623)		(5,908)
TOTAL SCH RESERVES	(10,684)	286	(10,398)	(623)	724	(10,297)

¹ Approved use of BSR in 2020/21 includes: £335k pay increase, £153k STW commission, £87k Apprenticeship scheme, £50k Saxon Court Manager, £49k support for Wellbeing and £41k HR Officer.
² Increase to General Reserve results from the revenue underspent position and revaluation gain of £441k

Housing Revenue Account Reserves (held by SMBC)						
	Balance 31/3/19	Net Movement 2019/20	Balance 31/3/20	Actual Income 2020/21	Actual Spend 2020/21	Actual Balance 31/3/21
Working Balances (minimum £2m) ¹	(6,188)	(729)	(6,917)	(1,892)	3,715	(5,094)
pre-2004 Reserves	(96)		(96)		96	0
Welfare Reform / HRA Balances	(1,849)	84	(1,765)		105	(1,660)
Earmarked: Regeneration	(212)		(212)			(212)
Earmarked: Capital investment	(3,937)	(667)	(4,604)		1,403	(3,201)
Surplus Management fees	(2,272)		(2,272)		2,272	0
High Rise Sprinklers Reserve	0		0	(6,913)	965	(5,948)
sub-total HRA Revenue Reserves	(14,554)	(1,312)	(15,866)	(8,805)	8,556	(16,115)
Major Repairs Reserve	(3,194)	(1,090)	(4,284)	(12,202)	14,392	(2,094)
High Rise Sprinklers Reserve ²	0	0	0	(2,587)		(2,587)
RTB Receipts Reserves	(11,437)	(1,231)	(12,668)	(1,108)	2,234	(11,542)
Capital Receipts Unapplied	(232)	(1,328)	(1,560)	(574)	2,134	0
sub-total HRA Capital Reserves	(14,863)	(3,649)	(18,512)	(16,471)	18,760	(16,223)
TOTAL HRA RESERVES	(29,417)	(4,961)	(34,378)	(25,276)	27,316	(32,338)

¹ Increase to the Working Balances in 2020/21 includes the HRA surplus, after use of reserves of £249k
² Increase to the Working Balances in 2020/21 includes the HRA surplus, after use of reserves of £249k

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HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE ACCOUNT

<i>Actual Outturn 2019/20 £000's</i>		<i>Original Estimate 2020/21 £000's</i>	<i>Actual Outturn 2020/21 £000's</i>	<i>Variation 2020/21 £000's</i>
	INCOME			
(40,513)	DWELLING -RENTS	(41,421)	(41,214)	207
(1,187)	NON-DWELLING RENTS	(1,182)	(1,162)	20
(2,292)	CHARGES FOR SERVICES & FACILITIES	(2,212)	(2,042)	170
(60)	CONTRIBUTIONS TOWARDS EXPENDITURE	0	0	0
(44,052)	sub-total Income	(44,815)	(44,418)	397
	EXPENDITURE			
18,241	MANAGEMENT FEE	18,634	18,670	36
3,268	CLIENT COSTS	3,343	3,219	(124)
21,509	sub-total	21,977	21,889	(88)
10,470	DEPRECIATION AND AMORTISATION	12,010	11,366	(644)
(9,527)	Revaluation (gain) /losses of non-current assets	0	117	117
70	DEBT MANAGEMENT COSTS	57	70	13
668	MOVEMENT IN THE ALLOWANCE FOR BAD DEBTS	1,462	32	(1,430)
23,190	sub-total Gross Expenditure	35,506	33,474	(2,032)
(20,862)	NET COST OF SERVICES	(9,309)	(10,944)	(1,635)
89	HRA services share of Corporate and Democratic Core	94	122	28
(20,773)	NET COST OF HRA SERVICES	(9,215)	(10,822)	(1,607)
	HRA SHARE OF OPERATING INCOME AND EXPENDITURE			
(721)	(GAIN)/ LOSS ON DISPOSAL OF HRA NON-CURRENT ASSETS	0	(866)	(866)
7,283	INTEREST PAYABLE	7,367	7,236	(131)
(224)	INTEREST & INVESTMENT INCOME	(100)	(69)	31
1,120	CHANGES IN FAIR VALUE OF INVESTMENT PROPERTY	0	0	0
(845)	CAPITAL GRANTS AND CONTRIBUTIONS	0	(341)	(341)
(14,160)	(SURPLUS) OR DEFICIT ON HRA SERVICES	(1,948)	(4,862)	(2,914)

STATEMENT OF MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

<i>Actual Outturn 2019/20 £000's</i>		<i>Original Estimate 2020/21 £000's</i>	<i>Actual Outturn 2020/21 £000's</i>	<i>Variation 2020/21 £000's</i>
(14,160)	(SURPLUS) OR DEFICIT ON HRA SERVICES	(1,948)	(4,862)	(2,914)
1,511	TRANSFERS TO/ (FROM) MAJOR REPAIRS RESERVE - amount in excess of depreciation	0	836	836
1,109	VOLUNTARY SET ASIDE FOR DEBT REPAYMENT	1,166	1,139	(27)
308	CAPITAL EXPENDITURE FUNDED BY THE HRA	89	1,501	1,412
8,307	REVALUATION GAINS/ (LOSSES) ON PROPERTY, PLANT & EQUIPMENT	0	(117)	(117)
720	CASH SALE PROCEEDS LESS AMOUNTS OF NON-CURRENT ASSETS WRITTEN OFF ON DISPOSAL	0	866	866
699	CAPITAL GRANTS AND CONTRIBUTIONS APPLIED	0	341	341
147	CAPITAL GRANTS AND CONTRIBUTIONS UNAPPLIED CREDITED TO THE CI&ES STATEMENT	0	0	0
47	OTHER ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER STATUTE	64	47	(17)
12,848	TOTAL ADJUSTMENTS	1,319	4,613	3,294
(1,312)	(INCREASE)/DECREASE IN HRA BALANCE	(629)	(249)	380
(14,554)	BALANCE BROUGHT FORWARD	(15,866)	(15,866)	0
(1,312)	(SURPLUS)/DEFICIT FOR THE YEAR	(629)	(249)	380
(15,866)	BALANCE CARRIED FORWARD	(16,495)	(16,115)	380

SUMMARY OF MOVEMENT IN HRA REVENUE RESERVE BALANCES

<i>Actual Outturn 2019/20 £000's</i>		<i>Original Estimate 2020/21 £000's</i>	<i>Actual Outturn 2020/21 £000's</i>	<i>Variation 2020/21 £000's</i>
(1,729)	OPERATIONAL SURPLUS	(718)	(1,813)	(1,095)
308	USE OF REVENUE RESERVES TO SUPPORT CAPITAL EXPENDITURE	89	1,502	1,413
109	USE OF REVENUE RESERVES TO SUPPORT REVENUE EXPENDITURE	0	62	62
(1,312)	(INCREASE)/DECREASE IN HRA BALANCE	(629)	(249)	380

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SCH Reserves Statement

	£'000s	£'000s
Reserves Available b/fwd from 2019/20		(10,398)
Reserves Generated in 2020/21		(623)
Support for Wellbeing (4 years 2017/18 to 2020/21)	49	
Support loss of STW commission (3 years 2018/19 to 2020/21)	153	
Support Saxon Court Manager costs (3 years 2018/19 to 2020/21)	50	
Support Apprenticeship Scheme	87	
Support pay increase 2018/19 to 2020/21	335	
Additional HR Officer for a 2 year period from October 2018	41	
Creation of a hardship fund	6	
Fund Stock Condition Surveys not funded by underspend	3	
		724
Reserves available c/fwd to 2021/22		(10,297)
Earmarked		
Minimum Working Balance		1,500
Budget Strategy Reserve:		
Support Apprenticeship Scheme	190	
Support pay increase 2020/21 to 2022/23	164	
PSL Reserve from annual surplus	37	
Element of Budget Strategy Reserve Earmarked for Restructure	1,178	
		1,569
Reserves left unallocated		(7,228)

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SOLIHULL COMMUNITY HOUSING BOARD MEETING 7 JUNE 2021

REPORT OF THE EXECUTIVE DIRECTOR OF CUSTOMER SERVICE TRANSFORMATION & BUSINESS SUPPORT

Performance Exception Report

1. Purpose of Report

- 1.1 To give an update on performance against the Key Performance Indicators (KPIs) at end of year (quarter 4 - 31 March 2021) where targets have not been met.

2. Recommendation – Items for Noting / Approval

- 2.1 The Board is recommended to:

- (i) **NOTE** The overall performance outturn and the commentary, listed in Appendix A, on those KPIs where targets have not been met.

3. Performance Reporting

- 3.1 This report details achievement against the business critical KPIs where targets have not been met at year end 2020/21.

- 3.2 This quarter there are 32 KPIs with 18 targets being met (green), 6 off target but within tolerance (amber) and 8 where target missed (red).

- 3.3 The 8 red issues are:

- WB20 – net increase in self-funded Wellbeing service users
- VL1 – average void re-let time
- VL13 – void rent loss
- VL16 – number of lettable voids
- AM19 – satisfaction with repairs
- NS6 – satisfaction with ASB cases handling
- VL19 – satisfaction with new home
- CR29 – satisfaction with contact centre

- 3.4 Transactional satisfaction (CSAT) is under performing with a decline from position at end of quarter 3 across 2 of the 4 surveys (new tenants - 2.14% and contact centre - 7.15%) although targets missed both repairs (0.41%) and ASB (9.55%) saw improvements from position at end of quarter 3. Complaints handling is also underperforming, although the improvements listed below took effect during quarter 4 with an improvement of 30.36%.

3.5 Improvement Actions planned to address the under-performance in resolving complaints:

- Executive Oversight – Each Executive Director will receive a bespoke breakdown of monthly complaints within their Directorate including the volume, broad category and monthly response times against the 10 working day target to be discussed and improved with teams.
- Senior Leaders – Will be the accountable people to receive complaints, appropriately delegate and ensure resolution actions are in place for each complaint within their business area/department. This will be supported by the Governance Team as appropriate.
- Short-Mid Term – The complaints handling process is under review within the Customer Experience Improvement Programme with an associated action plan.
- Communication – Kevin Bennett will take the accountability to provide regular business updates on complaints performance and process updates to provide an executive level focus and consistency in messaging.

3.6 A full summary of performance of the KPIs where targets have been missed is attached at Appendix A.

4. Financial Implications

4.1 There are no specific cost implications arising from this information report. The costs of delivering services are covered by the annual budget setting process. Although failure to collect rent due in the long term may have an impact on ability to deliver services.

5. Equality and Diversity Implications

5.1 There are no specific implications for SCH customers within vulnerable/ethnic groups.

6. Risk Management Implications

6.1 The risks arising from failing to meet specific targets such as not collecting income are included within the general risk management framework.

7. Value for Money and Efficiency Considerations/Implications

7.1 The expectation of SMBC is that we continue to deliver excellent services whilst delivering efficiencies.

8. Tenant Involvement/Consultation

8.1 There has been no specific consultation in relation to this report.

9. Consistent with Strategic Vision

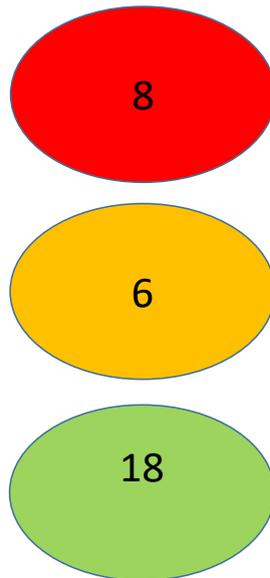
9.1 The report is consistent with the Delivery Theme of Team 2022 “sustained focus on operational and cost performance”.

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Performance Exception
report
2020/21
Year end March 2021



Exception report

Ref	Description	Mar-21			EOY	YTD trend
		Target	Feb-21	Mar-21		

WB20	Net gain in paying Wellbeing service users	72	2	-25	-121	-25
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Headline summary: There was a net loss of 22 customer in March. There was a significant number of cancellations (61) compared to new customers. 23 of these were due to death of customer, 14 where the customer had gone into residential/permanent care, 12 no longer require the service and 12 for other reason such as moving out of borough etc. There has also been an impact as a result of increased charges which commenced April 2021. The charges have increased for the first time since 2018 which has led to an increase in cancellations, with 12 no longer requiring the service. A comparison with same month in 2020 shows that number of new customers remains consistent (39 in 2021 compared to 35 in 2020) but cancellations have increased.

- Action points:**
- Demonstration visits and HHA's have resumed which historically have been successful in providing leads for new customers.
 - A Marketing Plan has been introduced to promote the service to both professionals and communities.
 - Links with customer engagement team. They have provide us with the shielding/inclusive services register for us to contact to discuss the Wellbeing Service.
 - We are attending virtual team meetings throughout SCH to raise awareness of the service to front line staff, so far been to Engagement team, Aids and Adaptations and The Contact Centre.

VL1	Average re-let time of voids - days	18	24	24	35	-2
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Headline summary: Improvement in quarter 4 although still hampered by covid restrictions on viewing which has contributed in an increase in number of refusals. An action plan is in place to address issues identified. Weekly review meeting in place between tenancy sustainment team, voids team and partners.

- Action points:**
- Continue to analyse number of refused offers and work with the Voids/Housing Options teams to reduce the numbers.
 - Continued promotion week on week for Woodbrooke House voids.
 - Additional social media promotions, for example if existing Solihull residents have relatives living outside of the borough, encouraged to apply, immediate lets available.
 - An article will go into the summer newsletter for Redwood and Woodbrooke House, and for Castle Lane.
 - Mail shot planned for those with active applications who may be interested in a move. If promotional campaigns are unsuccessful for DTLs, consider reducing age to 55 for Woodbrooke and Redwood House (currently only consider lower age of under 55 plus for properties on top floors with no lift access).
 - Consider future use of Greenhill Way – to request initiation of discussions with SMBC over future use of the scheme.
 - Continue to allocate 1 property per week at Saxon Court due to Covid restrictions and safety.
 - Allocation turnaround time will improve when COVID restrictions are lifted and we follow the road map to recovery.

VL13	Percentage of rent loss due to voids	0.90%	1.30%	1.31%	1.31%	0.01%
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Headline summary: A significant increase in the number of voids arising in March combined with the continued letting restrictions has pushed rent loss up although levels continue to compare favourably within the sector.

- Action points:**
- On-going and focussed effort – see action points for VL1.

Ref	Description	Target	Feb-21	Mar-21	EOY	YTD trend
VL16	Number of Lettable voids	70	106	131	131	25

Headline summary: The number of voids arising increased significantly in March with a higher than normal death rate and increase in admissions to care homes whilst letting have remained lower than normal due to covid restrictions. Action plan in place to address issues that have been identified.

Action points:

- On-going and focussed effort – see action points for VL1.

AM19	Satisfaction with response repairs service	92.00%	87.04%	89.76%	89.07%	0.10%
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Headline summary: Customer satisfaction has improved overall but remains just below target. A Customer Improvement Project Team meets monthly to review progress with the Action Plan.

Action points:

- To embed new process for Team Leader to approve 'no access'.
- To embed new process for Team Leader to approve 'follow on works'.
- Sustain increase in Production and Attendance levels.
- To trial closer working with the Contact Centre to reduce duplicate orders, improve job descriptions and diary management.

NS6	Satisfaction with ASB case handling	87.00%	60.00%	60.00%	54.65%	0.21%
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Headline summary: We continue to work through our ASB satisfaction improvement plan – supported by CEIP. Scrutiny by team leaders on all satisfaction data.

Action points:

- Weekly team leader audits of ongoing and closed cases to ensure they are all on track and adhering to service standards.
- Focus on customer contact.
- Discussions with dissatisfied customers to review and learn and understand where we went wrong.
- Tenants and staff awareness of ASB Service Standards.

VL19	Satisfaction with new home	87.00%	93.75%	74.07%	82.86%	-1.08%
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Headline summary: The main area of dissatisfaction is condition of property, other trends identified in March is the homeless applicants customer journey and in general some applicants felt they should be given longer to move.

Action points:

- Action plan to improve satisfaction developed by Voids and Customer Services team has been implemented.
- All void officers & operatives have been briefed on the Empty Homes Lettable Standard and TST to issue to customers at viewing.
- Investigate reasons for dissatisfaction among homeless applicants (Housing Options Team).

CR29	Satisfaction with customer service Contact Centre	90.00%	66.67%	82.86%	83.70%	-0.03%
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Headline summary: Due to a system change Sept 2020, there has been an issue with customer data being passed from SCH to BMG meaning that the number of surveys done has been lower than expected. This has now been resolved and the number of surveys undertaken has increased, however, the results for second half of year are less statistically reliable.

Action points:

- FAQ on the website has been improved significantly - IVR messages to be updated to reflect this to try and route customers to the website before getting through to an advisor.
- More e-forms to be created for simple enquiries where information just needs to be collected and routed to the relevant teams.
- E-form to replace the 'SCH Info' email address to try and reduce emails in and to have some control over the content that is received by the CC.

Ref	Description	Target	Feb-21	Mar-21	EOY	YTD trend
NS1	Percentage of rent collected of rent due	98.00%	96.97%	97.70%	97.70%	0.73%

Headline summary: Performance in March was boosted by another successful Year End Campaign and improved our Income Collection position from 96.97% to 97.70% in what has been a very challenging year. In terms of our Year End Income position we were £132,055.25 short of the target.

- Action points:
- Robust action plan 21-22 being worked on following the Year End Campaign.
 - Business case for analytics tool Q1 2021/22 (Contract sign off is now very close pending some final questions from Cabinet Members).
 - Clear Rent 1st Offer A new video is being produced for new Tenants and is currently in Comms (this covers priority debts and includes rent along with the cost of running a home).
 - Embedding Service Review learning – letters are currently with Customer Engagement undergoing tenant scrutiny.
 - Working with Rent Charges now to ensure all our Universal Credit clients have the new charges uploaded onto the DWP Landlord Portal as soon as those notifications arrive.
 - Targeted work on £2k plus cases is gathering pace we have 187 cases of which 39% need to be progressed and 61% are paying in accordance with their arrangements.
 - Our Money Advice Team are fully trained and equipped to deal with a new Government initiative called 'Breathing Space' to help customers seeking Money Advice. Go live date 4 May 2021.
 - Our DHP allocation this year is considerably less than the previous year so we will have to work carefully with the Discretionary Grants Team at the Council to ensure the most vulnerable tenants are supported as well as any new tenants that have been identified and are in need of support with a focus on the Introductory process.

HO3	Average stay in temporary accommodation (Budget hotels) - days	10	32	32	22	0
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Headline summary: The average length of stay in budget hotel accommodation has decreased very slightly in March but has remained over target. This can be attributed to accommodating a small number of customers with complex needs where it has been more difficult to find suitable move on accommodation. Other key factors leading to a general increase have included the number of discretionary placements made due to the health risk of Covid-19, as well as the impact of reduced housing allocations and the slowdown in private rented sector lettings. Move on processes are beginning to return to a steady state.

- Action points:
- To continue to develop the Temporary Accommodation Strategy, focusing on reducing budget hotel usage and considering flexible alternatives to hotel use

HO5	Percentage of homeless approaches where prevention or relief achieved	50.00%	56.45%	51.11%	42.47%	0.85%
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Headline summary: The Home Options team continued to meet the target for the percentage of successful prevention and relief outcomes achieved in March. 28% of successful outcomes were achieved in the private rented sector, whilst 26% of households were accommodated in supported housing. Social housing provision accounted for 24% of the successes.

- Action points:
- Focus on working with reputable, good quality supported accommodation providers, including Spring Housing and Accord Housing Association.
 - Continue to focus on the private rented sector through the work of our Solihome team
 - Work with the Tenancy Sustainment team to ensure timely move on into SCH tenancies

AM1	Percentage of properties with valid gas certificate	100.00%	99.84%	99.95%	99.95%	0.11%
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Headline summary: Performance for gas compliance continues to compare well in comparison to sector benchmarking levels. This level of compliance remains a challenge, with a number of our residents fitting the national vulnerability criteria definitions. Regular organisational communication has been key to supporting operating practices along with applying safe systems of work that instil confidence in our customers so that they allow us access to their home whilst keeping themselves and our staff safe. 4 properties outstanding at end of March, 2 with legal, 1 given notice to terminate and 1 currently shielding with appointments booked for when ended.

- Action points:
- Maintain Regular organisational communication.

CR34	Complaints resolved in timescale	90.00%	100.00%	93.33%	81.63%	2.84%
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Headline summary: Improvement in Qtr4 with target being achieved, 2 complaints went in March.

- Action points:
- Review of complaints process on-going.
 - Staff survey underway to gauge knowledge of current process.

CR11	Enquiries resolved at first point of contact (Contact Centre)	85.00%	n/a	n/a	80.18%	0.00%
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Headline summary: Errors in the report - unable to supply. Further work ongoing with IT.

- Action points:
- Further work needed with IT to develop report.

SOLIHULL COMMUNITY HOUSING

BOARD MEETING 7 JUNE 2021

REPORT OF COMPANY SECRETARY

Annual Governance Review

1. Purpose of Report

- 1.1 To seek approval to the revision of SCH Standing Orders and review Committee membership and Terms of Reference.

2. Recommendation – Item for Decision

- 2.1 The Board is recommended to

- (i) **APPROVE** the adoption of the revised Standing Orders for SCH with immediate effect
- (ii) **NOTE** the reappointment of the Chair of the Board for a second term of office
- (iii) **Approve** the proposed amendments to the Committee Terms of Reference
- (iv) **Approve** the membership of Committees
- (v) **Approve** the appointment of Committee Chairs
- (vi) **NOTE** the Board attendance and expenses claimed for 2020/21

3. Standing Orders

- 3.1 The last annual review of the Standing Orders was in July 2020 when there were minor changes to the Standing Orders.
- 3.2 The Standing Orders incorporate the Rules for Contract and Financial Regulations.
- 3.3 The revised Standing Orders are attached at appendix A and the list of changes made at appendix B. The amendments to the Financial Regulations are highlighted in appendix A.
- 3.4 The key changes to the Standing Orders are:
- Following a report to the Audit and Risk Committee on 14 December 2020 proposing a change in the approval process for contract value with a total value of less than £2.5m (and less than 5 years in duration) the oversight of these contracts sits with the Executive Leadership Team (ELT) rather than the Audit and Risk Committee.
 - Throughout the document references to the Executive Management Team (EMT) have been replaced with Executive Leadership Team (ELT).

- Throughout the document all references to EU procurement rules have been removed and replaced with UK procurement rules
- The rules for transferring budgets between cost centres have significantly changed since the previous year and are highlighted on page 39 of the Standing Orders (Financial Regulations paragraph 4.6)
- Transfers between Capital and Revenue budgets are not permitted and transfers involving ring fenced activities are subject to Board approval

4. Re-appointment of Chair of Board for a second term of office

- 4.1 The Chair of the Board was appointed following a joint recruitment process with SMBC at the end of July 2018 and the first three year term is therefore due to end next month.
- 4.2 The Articles of Association permit the re-appointment for a second term of office subject to both Board and Council approval. The Solicitor to Solihull MBC confirmed on 27 April 2021, that the Cabinet Member has approved the re-appointment of Richard Hyde as chair for a further 3 year term. We can confirm this appointment at the Annual General Meeting (AGM) in September and until then Richard will be “holding over” on the appointment of the Board, in the knowledge the shareholder supports this. This permits continuity until the formal appointment at the AGM and the second term of office will end at the AGM in September 2024.
- 4.3 The Chair of the Human Resources and Remuneration Committee has consulted colleagues on the Board and has confirmed that there is full support for re-appointing the Chair for a second term of office.

5. Committee Membership

- 5.1 With effect from October 2018 there are three Board Committees:
- Housing Operations
 - Human Resources and Remuneration
 - Audit and Risk
- 5.2 The Terms of Reference for each Committee are attached at Appendix C (Housing Operations); Appendix D (Human Resources and Remuneration) and Appendix E (Audit and Risk). Standing Orders paragraph 10.1 sets out the minimum number of members attending Committee meetings to reach a quorum being 3 whilst the Terms of Reference for the Housing Operations and Audit & Risk Committees refer to a minimum of 2 attending. The Committee Terms of Reference will be amended to be consistent with the Standing Orders.
- 5.3 The proposed amendments to the Committee Terms of Reference are:
- Housing Operations:

- The number of members required to attend meetings to achieve a quorum is amended to 3 to bring in line with Standing Orders at paragraph 4.1
- The Committee scope has been amended to include oversight of the work of the SCHape Tenants Panel and Customer Engagement Framework at paragraph 9.6

Human Resources & Remuneration:

- Added “Equalities” to title of Committee
- Added additional purpose of Committee as having strategic oversight of Equalities, Diversity and Inclusion at paragraph 1.3.
- Deleted requirement for at least two Committee members to be independent members at paragraph 2.2
- Deleted paragraph 9.2 which related to approving staff salaries as these are negotiated as part of national pay awards

Audit & Risk:

- The number of members required to attend meetings to achieve a quorum is amended to 3 to bring in line with Standing Orders at paragraph 4.1
- Deleted reference to review of regular review of Money Laundering Reports at paragraph 11.1
- Deleted paragraphs 15.1 and 15.2 regarding approval of procurement activity and replaced with a new paragraph reflecting the revised delegations to the Committee in relation to approving exceptions to the rules of contract for contracts valued between £500,000 to £2.5m

5.3 The membership of the Committees are currently as follows:

Committee	Membership	Current Chair	Proposed Chair
Housing Operations	<ul style="list-style-type: none"> • Chris Williams • David Bell • April Halpin • Louise Tubbs • Dave Pinwell <p>(Terms of Reference state minimum of 4 members)</p>	Chris Williams	Chris Williams
Human	<ul style="list-style-type: none"> • Jenny Fletcher 	Jenny Fletcher	Jenny Fletcher

Resources and Remuneration	<ul style="list-style-type: none"> • Richard Hyde • Louise Tubbs • Nigel Page • Chris Williams <p>(Terms of Reference state minimum of 4 members including two independents)</p>		
Audit and Risk Committee	<ul style="list-style-type: none"> • Nigel Page • Jenny Fletcher • Ben Burton <p>(Terms of Reference state minimum of 3 members including ideally two with recent and relevant financial experience and competence in accounting and auditing)</p>	Nigel Page	Nigel Page (pending recruitment of new independent member)

- 5.4 The Board are asked to review the current membership of Committees and propose any changes required. In particular, the Board are asked to consider appointing an additional member to join the Audit & Risk Committee pending the recruitment of a new Board member to chair this group. Terms of Reference for each Committee state that the membership should be agreed in consultation with the Chair of the Committee and the Chair of the Board and approved by full Board. The appointment of the Chair for each Committee is a matter reserved for the Board in consultation with the Chair of the Board.
- 5.5 The Board are asked to confirm the appointment of a Chair for each of the Committees.
- 5.6 In addition to the formal Committee structure the Board set up a Recruitment Task and Finish Group in June last year whose membership is as follows:
- Richard Hyde (chair of group)
 - Jenny Fetcher
 - Nigel Page
 - Louise Tubbs
 - Chris Williams
 - Fiona Hughes
 - Kevin Bennett
- 5.7 The Task and Finish Group have met on seven occasions to date and has a remit to fill vacancies on the Board, review skills needed to have an effective Board and succession planning.

6. Board Attendance / Expenses

- 6.1 Appendix F to this report sets out a formal summary of attendance, a statement in relation to declarations of interest and expenses claimed during 2020/21. During the last year all meetings have been held virtually and the attendance rate has improved significantly.
- 6.2 The Board member expenses policy was last formally reviewed in 2011 and the current mileage rate of 45p (for the first 10,000 miles of business use) is still in line with the maximum rate permissible by HMRC before there are tax implications for individuals. As previously, this matches the rate that is paid to staff. Therefore, there is no proposal to change the mileage rates at this time.

7. Financial Implications

- 7.1 There are no direct cost implications attached to the adoption of the revised Standing Orders.

8. Equality and Diversity Implications

- 8.1 None specifically arising.

9. Risk Management Implications

- 9.1 Standing Orders are one of the ways in which SCH manages its exposure to risk and the protection of assets, by setting out the broad ground rules for corporate governance, how we commit to expenditure and how we manage ourselves financially.
- 9.2 The Rules for Contract elements of the document in particular set out the basis on which SCH enters into and manages its exposure to financial commitments. In this context, it is particularly important that the Rules for Contract are well drafted to ensure that potential risk areas are covered, that proper procedures are followed and that authority is delegated to the appropriate level.

10. Value for Money and Efficiency Considerations/Implications

- 10.1 Any changes to the Rules for Contracts are designed to further improve SCH's procurement processes and ensure tighter compliance with legislation and SCH's rules by making them clearer and more comprehensive.
- 10.2 The improvements should also ensure that SCH continues to achieve better value for money through improved contract specifications, more transparent and effective tendering processes and better contract management.

11. Tenant Involvement/Consultation

11.1 None specifically.

12. Strategic Vision

12.1 The report is consistent with delivering robust governance.

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Solihull Community Housing

Standing Orders (Incorporating Rules for Contracts and Financial Regulations)

**7 June 2021
Next Review July 2022**

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Section 1 Standing Orders

1. GENERAL INTRODUCTION

- 1.1. Solihull Community Housing is an Arm's Length Management Organisation. It runs the housing service on behalf of Solihull Metropolitan Borough Council. The relationship between the two organisations is defined in the Management Agreement and an annual Delivery Plan is agreed and published.
- 1.2. These Standing Orders and accompanying Financial Regulations and Rules for Contracts set out the functions and responsibilities of the Board and its Committees. They should be read in conjunction with the Memorandum & Articles of Association of Solihull Community Housing (SCH), the Management Agreement with Solihull Metropolitan Borough Council (SMBC), and the Terms of Reference of its Committees. These Standing Orders outline how SCH will be controlled and run.

2. PURPOSE OF STANDING ORDERS

- 2.1. These Standing Orders are not intended to replace or alter the SCH Articles and the Management Agreement with SMBC, rather they are intended to:
 - Identify those parts of the Articles relating to Membership and convening and conduct of meetings.
 - Outline the responsibilities and level of authority of the Board, its Committees, and the Chief Executive.
 - Provide a sound and clear basis for the conduct of business in terms of procedure of meetings, letting of contracts and financial regulation.
- 2.2. Nothing shall override instructions or conditions imposed by the Government, the Accounting Standards Board or through Statute.
- 2.3. Nothing in any other procedures manuals or guides will override the principles embodied in this document. The Board may alter, rescind or add to any part or element of these Standing Orders by a simple majority vote of those present. The Company Secretary should periodically consider and review Standing Orders and seek approval from the Board for any amendments.
- 2.4. The approved document should be made available to Board Members, all staff and published on the website.
- 2.5. References to the male gender apply equally to the female gender.
- 2.6. In the event of a dispute as to the meaning or application of Standing Orders, the ruling of the Chair of the Board shall be final.

3. THE ROLE AND RESPONSIBILITY OF THE BOARD

- 3.1. The Board has a strategic role to play in directing the affairs of SCH. It has

overall responsibility for the affairs of SCH but delegates the day to day running of the organisation to the Chief Executive.

3.2. The core responsibilities of the Board are to:

- set and ensure compliance with the values, vision, mission and strategic objectives of SCH, ensuring its long-term successes;
- set a positive culture, with strong customer focus;
- ensure that the organisation operates effectively, efficiently and economically;
- provide oversight, direction and constructive challenge to the organisation's Chief Executive;
- satisfy itself as to the integrity of financial information, approving each year's budget, delivery plan and annual accounts prior to publication;
- establish, oversee and review annually a framework of delegation and systems of internal control; and
- establish and oversee a company-wide risk management framework to safeguard the assets of the organisation.

3.3. The Board will agree the matters reserved for decision by the Board, Annex 1 to these standing orders. All other matters are delegated to a Committee or the Chief Executive.

3.4. The Board should also ensure that appropriate advice is taken on these reserved matters and on related matters of legal compliance and financial viability.

3.5. The Board will also agree Terms of Reference for its Committees.

3.6. Once the Board has made its decisions on overall strategy, the implementation and monitoring may be delegated to a Committee, or the Chief Executive. The Board's role thereafter will be to receive periodic reports and other forms of assurance (as it decides) on, or to otherwise monitor as it sees fit, the delivery of the strategy.

3.7. As set out in the Articles of Association (paragraph 25): The number of Board Members (excluding co-optees) shall be 10, comprising 3 Council Board Members, 3 Tenant Board Members and 3 Independent Board Members and the Chair. If the number of Board Members shall fall below that number, the remaining Board Members may continue to act.

3.8. In the case of a vacancy for a Board Member the Board will use all reasonable endeavours to find replacements.

3.9. Each Board Member will be given a Role Profile and Person Specification that will describe the obligations of a Board Member together with the essential and desirable qualities. The Role Profile and Person Specification will be agreed by the Board from time to time.

3.10. All Board Members are required to up hold the Code of Conduct which is regularly updated and approved by the Board from time to time.

3.11. A Board Member may cease to act, be disqualified from acting or be removed

from office as set out in the Articles.

- 3.12. Board members shall serve a term of office of three years and may serve for up to a maximum of nine consecutive years (three terms of three years) without a break in service equivalent to a minimum of one full term of office.

4. **COMMITTEES AND WORKING GROUPS**

- 4.1. The Board may establish Committees to assist in the conduct of its business. The Board may delegate authority to the Committees in connection with the specific areas of responsibility. The membership responsibilities and delegated authority of each Committee will be agreed by the Board and set out in the Terms of Reference of each Committee. The Committees will meet as often as is required to fulfil the responsibilities delegated by the Board, but not less than once in each financial year.
- 4.2. Board currently has three Committees:
- Housing Operations
 - Audit and Risk
 - Human Resources and Remuneration
- 4.3. Each of these Committees has a set of Terms of Reference approved by the Board.
- 4.4. The SCH Board shall appoint a Chair to each Committee.
- 4.5. The membership of each Committee will be determined by the Board in consultation with the Chair of each Committee.
- 4.6. The Chair of each Committee will present a report to the following Board meeting setting out the activity of the Committee and decisions taken at each meeting. This will be in addition to the Board members receiving the minutes of all Committee meetings.
- 4.7. The Board may, from time to time, establish working groups comprising both Board and Committee Members, tenants/leaseholders, employees and other individuals, to undertake specific responsibilities delegated by the Board. The Terms of Reference of each working group will be agreed by the Board.
- 4.8. The Board will review the structure, composition and Terms of Reference of Committees and working groups at least every two years. Committee structures should be clear and streamlined, adding value to scrutiny and decisions without duplication of effort.
- 4.9. In the case of dispute, the Board's decision will override that of a Committee.

6. COMPANY SECRETARY

- 6.1. The Company Secretary, referred to as the Secretary, is an employee of SCH but also acts as an advisor to the Board on all matters relating to governance of the Company.

7. BOARD MEETINGS

- 7.1. The Board will meet at least four times a year at times and in places that they have agreed. In advance of the start of each year the Secretary will prepare an annual calendar of Board and Committee meetings setting out the proposed schedule of business. This shall be deemed to be notice of the meetings.
- 7.2. Special meetings of the Board can be called by the Secretary and can be called if he receives notice in writing from either the Chair of the Board or two Members. Whenever possible seven clear days' notice of the date and place of such meetings will be given in writing to every member of the Board by the Secretary.
- 7.3. The Agenda for Board meetings will be agreed with the Chair and the Secretary to meet the needs of the business.
- 7.4. Special Board Meetings may only deal with the business indicated in the Notice of Meeting.

8. CHAIR

- 8.1. If the Chair is not present or cannot chair a meeting, then the Board Members present may appoint one of their number to chair the meeting.
- 8.2. If the post of Chair is vacant the Board must request SMBC to fill the vacancy. If the Council member has failed within one month of a written request to appoint a Chair pursuant to Article 57.1 of the Articles of Association, the Board may appoint one of their number to chair the Board until the vacancy is filled by the Council member.

9. BOARD AND COMMITTEE MEMBERSHIP

- 9.1. The Chief Executive of SCH may attend Board unless requested not to do so by the Chair. He does not have any voting rights.
- 9.2. The Board determines the membership of its Committees. It reviews the membership of each Committee annually.

10. QUORUM AND NON-ATTENDANCE AT MEETINGS

- 10.1. The quorum for each type of meeting of SCH is as follows: -

Meeting	Number of members in attendance to establish a Quorum
General Meetings	7 (including a representative on behalf of the Council)
Board Meetings	6
Committee Meetings	3

- 10.2. No decisions may be made at any meeting of the Board unless there is a quorum of members present at the start of the meeting.
- 10.3. Where the meeting has been convened at the request of a Member, if no quorum of Members is present thirty minutes after the start time notified, the meeting should be terminated.
- 10.4. If a member, without approval from the Chair, fails to attend, three consecutive Board meetings or any Board meeting for a period of three months (whichever is the longer period), a majority of the Board may determine that he shall be removed from the Board. The Chair may give prior approval, at his discretion, in appropriate circumstances, such as extended sick leave or parental leave.
- 10.5. Members unable to attend a meeting should advise the Chair through the Secretary that they are unable to attend. If there are any points a non-attending member wishes to have raised at the meeting, he should submit his comments or questions in writing to the Chair of the Board/Committee and to the Company Secretary, who will ensure that they are formally recorded at the meeting.

11. MINUTES

- 11.1. The Minutes of any general meeting of SCH or Board meeting are to be formally ratified at the next meeting by those Members present and signed by the Chair of the meeting.
- 11.2. The Secretary will maintain a record of all Minutes once they have been ratified so that their accuracy can be easily verified.

12. ADMISSION OF THE PUBLIC

- 12.1. The public may be present at general meetings and Board meetings, except for:
- discussions of matters deemed to be confidential because their content is of a personal nature relating to staff or tenants, applicants for housing, services or employment,
 - when it is commercially confidential.
- 12.2. Such items shall normally be arranged to be placed on agendas to be discussed at the beginning or the end of the meeting for the convenience of members of the public who shall be asked to leave the meeting prior to these items being discussed.

13. CONDUCT OF MEETINGS

- 13.1. The Board will review the forward plan setting out future agendas at each Board Meeting. Agendas will allow items of strategic relevance to be considered at the beginning of the meeting and will clearly separate and identify confidential and non-confidential items. Any change to the agenda must be approved by a majority of members present at the meeting.
- 13.2. Papers will clearly indicate whether a decision is to be made and what that decision is or whether the paper is for information only. Papers will be sent to members at least 4 days in advance of each meeting.
- 13.3. Members may request that items are added to the agenda for consideration by giving written notice to the Chair and Secretary at least 14 days before a meeting of the Board. Such items should be within the remit of SCH either to make decisions or which relate to the general area within which SCH operates.
- 13.4. All meetings will be conducted in accordance with the Memorandum & Articles of Association and these Standing Orders.
- 13.5. Where necessary, resolutions will be decided by a majority of votes. Members are entitled to one vote each, with the Chair having the casting vote.
- 13.6. Board members are expected to prepare for meetings by reading the papers and raising questions and points for clarification with officers in advance. Issues of significance should be notified to the Chair and Chief Executive in advance of the meeting.
- 13.7. The role of officers is to support Board Members and assist in the decision-making process by presenting papers, providing information and advice, and responding to queries. Introductory remarks to papers by officers should be brief. Such presentations are an opportunity to clarify points raised in advance, highlight key issues and ensure the Board has been alerted to any areas of concern. Presentations and papers should be jargon free and of reasonable length.
- 13.8. The Chair should identify the decision that has been reached after each item on the agenda.

14. URGENT DECISIONS

- 14.1. Business can only be considered “urgent” if there is an immediate threat to health or safety of employees or the public or to the property or to the financial viability of SCH or where a decision cannot wait until the next appropriate meeting because to do so would incur financial loss or impact on operational efficiency.
- 14.2. Where the Chief Executive (or in his absence a member of the Executive Leadership Team (ELT)) considers that such a matter is urgent and that a decision cannot wait until the next meeting of the Board or appropriate Committee, he may ask the Chair to call an additional meeting of the Board, either in person or by phone to determine this single issue.

14.3. If this is not feasible the Chief Executive (or in his absence a member of ELT) shall have authority, after due consultation with the Chair of the Board or Chair of the appropriate Committee) to determine the matter on behalf of SCH provided that:

- A record of the consultation shall be kept, and the decision shall be reported to the next meeting of the Board or Committee; and
- If the Chair so requires the question shall instead be referred for decision to a meeting of the Board or appropriate Committee.
- In the above circumstances the Chief Executive in consultation with the Chair may waive these standing orders either wholly or in part.

14.4. Any such action is to be reported to the next Board Meeting for ratification.

15. BOARD MEMBERS' INTERESTS

15.1. Any Member who is personally interested (or has a close relative who is interested) in any way whatsoever in a contract or other transaction, which is to be discussed by the Board or Committee, shall immediately disclose such an interest. That Member will not be allowed to vote on the issue or remain during its discussion unless requested to do so by the other members present. Any declarations shall be recorded in the Minutes of the meeting.

15.2. The Code of Conduct defines the circumstances in which a conflict of interest may occur and the steps that should be taken when a member declares an interest in a matter to be discussed.

15.3. When a member declares an interest, the Chair (in consultation with officers) will rule on whether a conflict of interest exists, whether it is significant and whether the Member must retire for that item. If it is the Chair who declares a conflict of interest the remaining Board members in consultation with officers will rule on whether a conflict exists and whether the Chair must retire from the discussion of the item.

15.4. No Member, by virtue of office or employment, may accept any fee or reward for work undertaken on behalf of Solihull Community Housing. The exception to this being the Chair who is specifically remunerated for undertaking his role.

15.5. The Secretary will maintain a Register of any interests declared by Members. Members should notify the Secretary of any interests that may relate to any contract or other transaction that could be discussed by the Board or Committees as soon as they become aware of its existence. The Register will be reviewed annually and be open to inspection by the Members at any time.

16. EMPLOYEES' INTERESTS

16.1. The rules regarding conflicts of interest apply equally to employees and the Secretary will also maintain a record of all declarations of interests by employees. This record will be available at all reasonable times for inspection by any Member. Any interest in a contract or the like by an employee will also be declared to the Board before the acceptance of any tender or quotation.

- 16.2. Any candidate for employment with SCH who canvasses Members directly or indirectly will be disqualified. No Member may recommend anyone for appointment or promotion. However, if requested, a written reference can be given.
- 16.3. Candidates for employment with SCH must disclose details of a relationship /friendship with any Member or senior officer of SCH on their application. Any candidate who fails to make such a disclosure will be disqualified and, if already appointed, will be dismissed.
- 16.4. Members and senior officers of SCH on their application are also required to communicate to the Selection Panel details of any relationship /friendship with a candidate for appointment.

17. DELEGATIONS TO THE CHIEF EXECUTIVE

- 17.1. The Chief Executive is ultimately responsible for the operational management of SCH's affairs. He must assist the Board in determining its strategic objectives and ensure the achievement of such objectives through the effective deployment of SCH's resources and productive relationships with external agencies.
- 17.2. Subject to Standing Orders, and in accordance with policies and decisions made by the Board or Committees, the Chief Executive should:
- Ensure the efficient and effective management and administration of SCH's activities.
 - Report regularly on the performance of SCH on the full range of its activities.
 - Manage properly the finances of SCH and ensure that regular management reports are submitted to the Board and Committees in respect of budgets and the financial performance of SCH and other related issues.
 - Manage the organisation of SCH and ensure staffing resources are deployed in accordance with conditions of employment to maximise their contribution to SCH's objectives. Significant changes to the structure of SCH executive should be shared with the Board.
 - Inform the Chair (and where appropriate the Board) of any misconduct allegations of the Executive Management Team.
- 17.3. All matters not reserved to the Board, or delegated to the Committees of the Board, are delegated to the Chief Executive.

Section 1 Annexes to Standing Orders

Annex 1 - Matters Reserved for the Board

- 1. Strategic**
 - Setting the values, vision, mission and strategic objectives of SCH
 - Any extension or restriction in the scope of SCH's activities or functions
 - Major matters with regard to relationships with central government, the Council, other statutory bodies and other registered social landlords
 - Compliance with any legal duties and responsibilities placed on the Board as managers of the business
 - Recommendation of a 3-year budget strategy to the Council
 - Approval of the Annual Delivery Plan
 - Approval of new or significant and novel strategies and policies
 - Approval of any new policies relating to new and/or significant changes in direction for business
 - Approval of major development schemes within the scope of SCH's authority
 - Approval of the framework of delegation and all contracts valued in excess of £2.5m or of more than five years duration (subject to SMBC approval)
 - Approval of any applications to the Council for Prudential Borrowing
 - Recommendation of the Asset Management Strategy for Council approval
 - Approval of Business Plan
 - Approval of Risk Management Strategy
 - Approval of key strategies and policies impacting on staff
 - Approval of any plans or reports related to Safeguarding (as required by SMBC and legislation)
 - Recommendation for the use of SCH reserves
- 2. Governance**
 - Approval of Standing Orders, Rules for Contracts and Financial Regulations
 - Any item referred to it by a General Meeting
- 3. Finance and Control**
 - Approval of the SCH annual budget
 - Approval of the annual statutory accounts (including the Board's Statement on Governance)
 - Approval of SCH's business plans, budgets and accounts
- 4. Human Resources**
 - The appointment of the Chief Executive (this is a shared responsibility with SMBC following the agreed protocol for such appointments)
 - Approval of matters relating to the pay and grading of the Chief Executive
 - Approval of any significant changes to the staff pay and grading structure
 - Approval of the Health and Safety Policy
 - Misconduct investigations involving the Chief Executive

5. Regulation and best practice

- Recommendations for significant changes arising from reviews of efficiency and effectiveness of SCH's work and the standard and level of the services provided.

Annex 2 - Specific delegations from SMBC to the Board

1. To allocate and let Council dwellings, hostels and other miscellaneous properties (including those managed by SCH other than under Part II of the Housing Act 1985) in accordance with the Council's policy.
2. To authorise the transfer and exchange of tenancies involving Council and other housing accommodation.
3. To allocate garages, to provide and allocate parking spaces.
4. To determine requests to waive the eligibility criteria of the Allocations Scheme to enable applicants with special needs to join the Housing Register.
5. To approve charges in respect of hostels, guest rooms in sheltered schemes and other licences and services.
6. To determine applications to erect covered ways, verandas, conservatories, garages and other out-buildings and undertake other alterations to Council houses.
7. To authorise routine repair and maintenance work to be carried out in accordance with the approved estimates and subject to the requirements of the Rules for Contracts and Financial Regulations.
8. To approve schemes for the adaptation of Council houses under the Chronically Sick and Disabled Persons Act 1970, costing up to £30,000
9. To consider representations made in respect of Notices served under Section 264 of the Housing Act 1985 (Closing and Demolition Orders).
10. To authorise appropriate action to enforce the conditions of tenancy at Council dwellings.
11. To determine applications to vary the conditions of tenancy at Council dwellings.
12. To issue Notices of Seeking Possession on tenants and Notices to Quit on non-secure tenants and to instigate proceedings to repossess dwellings.
13. To instigate proceedings to recover rent arrears.
14. To instruct Bailiffs to enforce warrants for eviction.
15. To authorise the use of injunctions to prevent anti-social behaviour, noise nuisance and vandalism by tenants.
16. To determine applications for ex-gratia payments up to £1,000 from tenants in respect of loss of garden, garages or parking spaces constructed, or central heating installed in Council premises and other miscellaneous matters.

17. To determine the level of decorating allowance payable to tenants.
18. To negotiate the settlement of valid claims against SCH to a value of £15,000 in cases where it would not be viable to continue legal action.
19. To authorise legal action or, where sound economic or operational reasons exist, make an offer to settle claims (up to £15,000) against the Council/SCH under Section 82 of the Environmental Protection Act, 1990 (summary proceedings by persons aggrieved by statutory nuisances).
20. To waive rechargeable repairs costs in cases of doubt about responsibility for damage or in cases of financial hardship.
21. To submit applications for planning permission to the Council for change of use from amenity land to private gardens in order to effect a solution to an estate management problem, subject to consultation with appropriate local residents.
22. To determine applications to purchase or license small areas of land adjoining Council dwellings.
23. To appropriate land to the General Fund to provide parking areas on housing estates.
24. To determine offers to sell back to the Council former Council houses in accordance with the terms of the pre-emption clause.
25. To serve notices seeking possession under Ground 10 of the Housing Act 1985 and, in consultation with the Council's legal team, to issue possession proceedings where they are necessary to facilitate delivery of land required as part of an approved scheme relating to the North Solihull Regeneration programme.

This list is extracted from the Management Agreement with SMBC. The source document may be updated from time to time, and will take precedence over this extract.

Annex 3 -

Process for Appointment of Chief Executive

1. SCH Board to grant approval to seek to appoint a Chief Executive (resolution recorded in company minutes).
2. Approval of SMBC's Chief Executive to be sought before proceeding with arrangements to recruit a Chief Executive of Solihull Community Housing including agreement on the method of advertising and selection and the constitution of a selection panel.
3. The Head of Human Resources at SMBC will make arrangements to tender for a Recruitment Agency to facilitate the recruitment process. The Chair of the SCH Board and the Cabinet Member for Environment and Housing will select the agency to be used for the recruitment in accordance with the approved tender process.
4. The Chair of the SCH Board and the Cabinet Member responsible for SCH will set out the scope and brief for the recruitment agency including agreeing the Job Description and Person Specification.
5. The recruitment agency will advertise the vacancy and head hunt if appropriate and produce a long list of suitable candidates for consideration. This list will be approved by the Chair of the SCH Board and the Cabinet Member responsible for SCH.
6. The recruitment agency will then interview the candidates on the long list and produce a shortlist of suitable candidates for approval by the Chair of the SCH Board and the Cabinet Member responsible for SCH.
7. The candidates on the approved shortlist will be invited to an Assessment Centre, which will include interviews with panels consisting of Board members, partners and the Council's Corporate Leadership Team.
8. The final stage will be a formal interview with a panel made up of the Chair of the SCH Board; the Cabinet Member responsible for SCH, Solihull Council Chief Executive and a representative from the recruitment agency and a senior officer from the Council's Human Resources Team. The formal interview panel will make a recommendation for appointment of a suitable candidate.
9. References to be sought by the Head of Human Resources at SMBC before making any appointment which will also need to be ratified by full Board and approved by SMBC's Chief Executive and the Cabinet Member responsible for SCH.

Annex 4 - Process for managing allegations of misconduct against the SCH Chief Executive

1. It is the responsibility of the SCH Chief Executive and Head of Human Resources at SMBC to ensure that allegations of misconduct are managed in line with approved policies in relation to members of the Executive Leadership Team.
2. In the event of any allegation of misconduct against the Chief Executive, the Company Secretary will notify the Chair of the Board and will also notify the Head of Human Resources at SMBC.
3. The Head of Human Resources will advise the Chair of the SCH Board in relation to following the Code of Conduct for Employees and the Disciplinary Policy (the procedure, in general terms, will follow the ACAS procedure); the appointment of an independent Investigating Officer and whether in the circumstances it is appropriate to suspend the employee.
4. The Chair of the SCH Board will decide, having taken advice from SMBC's Chief Executive and Head of Human Resources, whether to:
 - appoint the Head of Audit (SMBC) or alternative independent external consultant or advisor to conduct an investigation to establish the facts of the case
 - suspend the Chief Executive from duty on full pay (depending on circumstances and risk assessment)
5. The Investigating Officer will investigate all the circumstances and produce a report on the findings for the Chair of the SCH Board.
6. The Chair of the SCH Board and the Head of Human Resources will consider based on the findings of the report if there is a case to answer. A disciplinary hearing will be convened with the Chief Executive where there is a case to answer.
7. The case will be heard by a panel consisting of two SCH Board Members and a representative from Human Resources, all of whom will have had no previous involvement in the case.
8. The Council's Chief Executive and Head of Human Resources will be consulted before any action is taken arising from the investigation.
9. The Chief Executive will have the right of appeal against the outcome of the hearing. The appeal will be submitted in writing to the Human Resources Business Manager.
10. The appeal will be heard by a panel consisting of two SCH Board Members and a representative from Human Resources, all of whom will have had no previous involvement in the case.

Section 2 Rules for Contracts

1 OBJECTIVES

- 1.1 These Rules for Contracts exist to complement UK national legislation and to control the way in which SCH procures goods, services and works in support of its activities. Their purpose is to ensure that:
- There are clear rules governing the procurement of contracts.
 - Board Members, officers and consultants understand how to undertake the contracting process that they are required to follow at all times.
 - The interests of SCH Board Members, individual officers and consultants are protected when entering into contracts, and
 - SCH obtains value for money in all procurement activities and is able to demonstrate public accountability.
- 1.2 These Rules for Contracts shall apply to all contracts for the provision of services, goods or works to SCH including any person or body, including consultant architects, engineers, surveyors, lawyers and others not being Officers of SCH.

2 OFFICER RESPONSIBILITY

- 2.1 Officers must be able to demonstrate that they have followed these Rules (and all supporting guidance and procedures) at all times, or have obtained the necessary delegated authority for not doing so.
- 2.2 Officers must ensure that the relevant budget holder has been consulted and there is an approved non-committed budget available before placing a contract or order.
- 2.3 Officers **MUST** be able to demonstrate that all reasonable efforts have been made to ensure that any purchase or contract provides Value for Money (VFM). VFM is a judgement based on the best combination of the cost of a product or service, spread over its whole lifetime, and the products or services ability to meet, but not necessarily exceed the end-users' requirements.
- 2.4 Officers must establish a Project Team to assist in the tender process for procurement of goods and services that exceed £50k in value and/or will be utilised by multiple departments within SCH. The Project Team for a tender process will oversee the tender process from defining the need, the establishment of the procurement route and requirement/specification, through to the evaluation, award and signing of the contract.
- 2.5 The Project Team should include those with relevant technical knowledge of the work/services required and responsibility for or experience of delivering them as well as those with expertise in procuring works/services. The membership of the Project Team should include a member of the procurement team, where appropriate, and should reflect all interested parties to the procurement and, where appropriate, should include external stakeholders such as tenants and leaseholders. Consideration should be given for the Project team to include advice from Finance, Legal, Customer Services and ICT.

- 2.6 These Rules for Contracts require the scrutiny and approval to award of all proposed contracts with a total value of over £250,000 and/or other smaller more complex or sensitive contracts, by an internal ELT Procurement Board comprising of the members of the Executive Leadership Team
- 2.7 Officers must ensure that suitable and appropriate records are maintained of each and every purchase made, or decision made to enter into a contract, to support the decision-making process, and to demonstrate that the relevant procedures have been complied with. All sealed contract documents and contracts executed as deeds should be retained for a minimum of 12 years from contract end (or as set out in the SCH Document Retention Policy) and stored securely. All other documents should be retained or disposed of in accordance with the SCH Document Retention Policy. If grant money is being spent on projects, then there may be grant conditions relating to document retention that must be adhered to.
- 2.8 Any Officer, Board member or former Board member in the previous 12 months involved in letting a contract who has any material or personal interest in the contract or sub-contract should declare that interest in accordance with these Standing Orders and SCH's Code of Conduct. No payment can be made, or benefit granted to a business trading for profit of which an Officer or former Board member is a manager or owner. The SCH declaration of interests' summaries, held by the Company Secretary, should be checked by the budget holder leading the procurement prior to its commencement.
- 2.9 SCH should ensure that all staff involved in procurement receives formal training in SCH's procurement policies and procedures before undertaking any procurement exercise. Any member of staff who, having received formal training, ignores and/or deliberately breaches these Rules for Contracts and SCH Standing Orders generally may be subject to appropriate disciplinary action.
- 2.10 All Officers and Board Members are required to conduct business in accordance with SCH's Codes of Conduct. Every purchasing agreement or written contract shall contain a clause empowering SCH to cancel the purchasing agreement or the contract if the contractor offers any inducement or reward of an illegal or corrupt nature in relation to the contract.

3 DELEGATIONS

- 3.1 Officers of SCH have no authority in their own right to enter into any contract on behalf of the Organisation. They may only enter into a contract if authority is delegated to them under the scheme of delegations shown below or by a specific decision by the Board.
- 3.2 For the purposes of these Rules for Contracts the delegations and exceptions approval route are set out below in Section 6.
- 3.3 In extreme urgency a decision to enter into a contract under which the total consideration payable is in excess of £500,000 may be obtained in writing from the Chair of the Board. Any such decision must be reported to the next Board or Committee meeting as appropriate for formal approval.

- 3.4 Managers and Officers below the level of Head of Service are not authorised to enter into any contracts on behalf of SCH, however, they may raise orders against an approved contract or raise small value 'de-minimis' one-off purchases as set out in clause 3.2.

4 SCOPE OF THE RULES FOR CONTRACTS

- 4.1 All purchases and contracts made by or on behalf of SCH must comply with these Rules for Contracts and no exception shall be made unless approved by the Board or an Officer with sufficient delegated powers. This includes contracts for the buying of all goods and services, including the procurement of goods using purchase cards, any works being carried out and the acquisition of land.
- 4.2 Any arrangement where SCH pays or receives money or equivalent value, other than a contract to employ staff, must comply with these Rules for Contracts and all other published guidance.

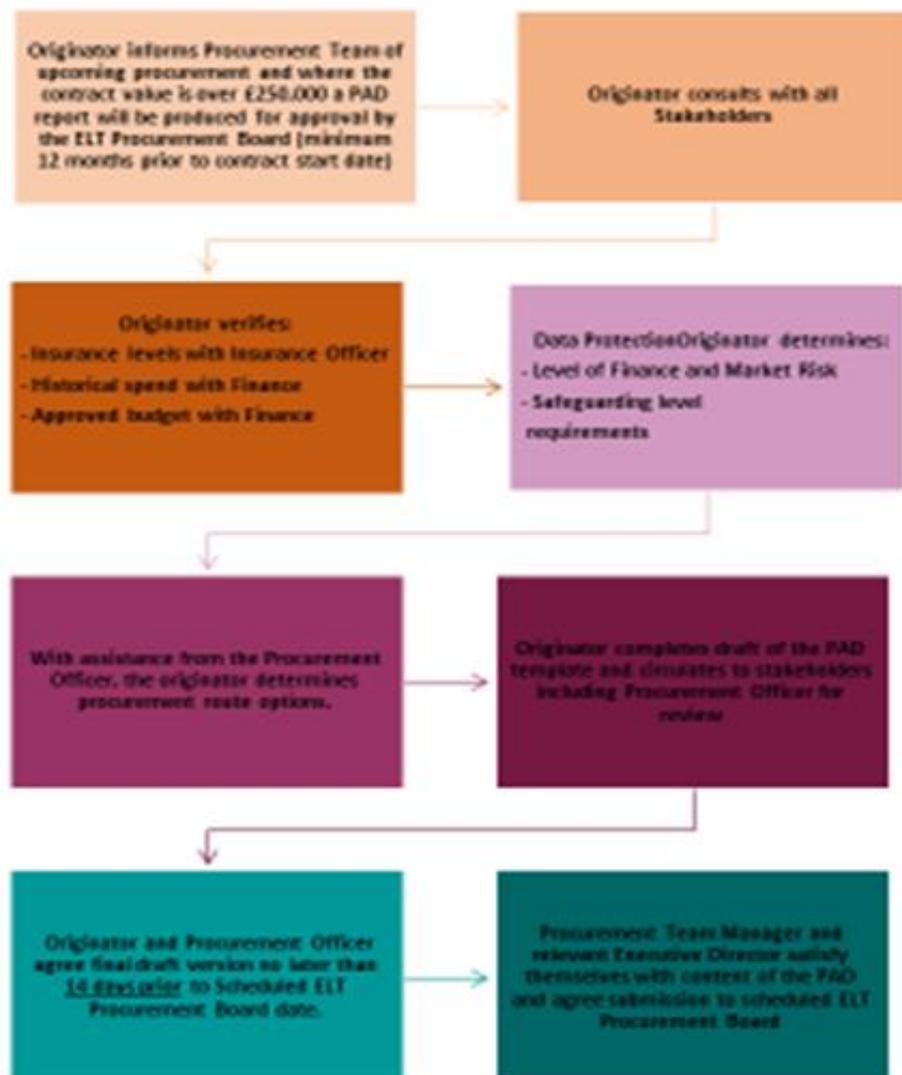
5 JUSTIFICATION OF NEED

- 5.1 Before any purchase is made or any procurement exercise commenced, an evaluation of whether or not there is a "real" need should first be carried out. If there is clearly a need, then this should be supported by a business case and/or a cost benefit analysis.
- 5.2 Before commencing any procurement, it is essential to establish a clear concise scope or specification of the works, supply or services to identify what is required by the end user.
- 5.3 All works, goods and services shall be specified by reference to national standards as appropriate and in accordance with the UK procurement rules. As far as possible, the specification should use functionality and performance requirements to describe what materials should be used. It can require the contractor to propose suppliers and products for SCH's approval. This allows SCH to vet the contractor's proposed materials to see whether they are appropriate (in terms of compatibility and performance). Approval should only be withheld if the products do not meet the SCH's specified requirements.
- 5.4 Specifications should incorporate measurable outputs, and so far as is possible objective quality and performance criteria to enable the contract to be monitored effectively.
- 5.5 All Justification of Need forms will need approval by a procurement officer and a finance team member.

6 THE PROCUREMENT PROCESS

- 6.1 The procurement approval process for contracts between £500k and £2,500k can be seen in the flow chart below.

Project Authorisation Document (PAD) Process



- 6.2 The procurement approval process for contracts which are part of the UK Procurement can be seen in the table below.
- 6.3 Both flow-charts assume that where cabinet approval is required (contracts over £2,500k and / or longer than five years) this has been obtained as part of the Budget Setting report to the appropriate Cabinet member prior to the start of the financial year. However, if approval has not been received then separate approval will need to be obtained before any contract commences.

UK Procurement Process

	Value	Procurement Route	Recommendation	Approval Route – Individuals (Authorise entering into contracts and the outcome of negotiations up to specified limit)		Contract or Agreement to be signed by
	All contracts longer than 5 years or over £2.5m	See Below	See Below	The appointed Cabinet Member of Solihull Metropolitan Borough Council		See Below
Page 211	Spot purchases up to £10,000	Demonstrate value for money. Minimum of three quotes should be obtained and evidenced in writing or by email.	Purchasing Officer	Heads of Service & Executive Director of Customer Service Transformation & Business Support	Head of Asset Management Head of Neighbourhood Services Executive Director of Assets & Development Executive Director of Customer Service Transformation & Business Support Executive Director of Housing & Communities	Heads of Service & Executive Director of Assets & Development Executive Director of Customer Service Transformation & Business Support Executive Director of Housing & Communities
	£10,001 to £50,000 with a duration of less than five years	Minimum of three written quotes should be obtained	Purchasing Officer	Heads of Service & Executive Director of Customer Service Transformation & Business Support	Head of Asset Management Head of Neighbourhood Services Executive Director of Assets & Development Executive Director of Customer Service Transformation & Business Support Executive Director of Housing & Communities	Heads of Service & Executive Director of Assets & Development Executive Director of Customer Service Transformation & Business Support Executive Director of Housing & Communities
	£50,001 - £249,999 with a duration of less than five years	At least 3 formal tenders should be obtained	Purchasing Officer	Head of Service and Executive Director	Head of Asset Management Head of Neighbourhood Services Executive Director of Customer Service Transformation & Business Support Executive Director of Assets & Development Executive Director of Housing & Communities	Executive Director (and Company Secretary if additional signature is required)
	£250,001 - £499,999	At least 3 formal tenders should be obtained	Purchasing Officer	ELT Procurement Board	Executive Leadership Team	Chief Executive (and Company Secretary if additional signature is required)

£2,500,001+	At least 3 formal tenders should be obtained	Cabinet Member	SCH Board	The appointed Board of Solihull Community Housing	Chief Executive (and Company Secretary if additional signature is required)
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Exceptions to the Rules for Contract

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Value	Procurement Route	Recommendation	Approval Route – Individuals (Authorise entering into contracts and the outcome of negotiations up to specified limit)		Contract or Agreement to be signed by
Exceptions to the Rules of Contract – up to £50,000	Not applicable	Purchasing Officer	Executive Directors	Executive Director of Assets & Development Executive Director of Customer Service Transformation & Business Support Executive Director of Housing & Communities	Executive Director
Exceptions to the Rules of Contract - £50,001 - £249,999	Not applicable	Purchasing Officer	Two Executive Directors	Executive Director of Assets & Development Executive Director of Customer Service Transformation & Business Support Executive Director of Housing & Communities	Executive Directors (and Company Secretary if additional signature is required)
Exceptions to the Rules of Contract - £250,001 - £499,999	Not applicable	Purchasing Officer	ELT Procurement Board	Executive Leadership Team	Chief Executive (and Company Secretary if additional signature is required)
Exceptions to the Rules of Contract -	Not applicable	ELT Procurement Board		The appointed members of the Audit and Risk Committee	Chief Executive (and Company Secretary if

	£500,000 - £2,500,000					additional signature is required)
	Exceptions to the Rules of Contract - £2,500,000+	Not applicable	Audit and Risk Committee	Cabinet Member	The appointed Cabinet Member of Solihull Metropolitan Borough Council	Chief Executive (and Company Secretary if additional signature is required)

** Both Executive Directors MUST be in attendance

7 EXCEPTIONS TO RULES FOR CONTRACT

- 7.1 A request to let a contract without complying with one or more of the Rules for Contracts, may be granted as an “Exception to the Rules for Contracts” only if there is a cogent reason, and where it can be demonstrated that the price obtained is not in excess of the market price, and that the contract represents the best Value for Money. Further details on what constitutes a “cogent reason” are contained within the guidance note “Exceptions to the Rules for Contracts”. The approval process for Exceptions is listed above.
- 7.2 A lack of time caused by inadequate forward planning is not a cogent reason and will not permit an exception to the Rules for Contracts.
- 7.3 A breach of the UK procurement rules is not a cogent reason and will not permit an exception to the Rules for Contracts except where, in exceptional circumstances and after considering legal advice, the Board is prepared to accept the breach.
- 7.4 Any decision taken in line with paragraphs 7.1 and 7.3 should be formally documented and a copy retained with the relevant contract files. The Procurement Team will keep a register of all approved exceptions to the Rules for Contracts, which will be available for inspection by members of the Board.
- 7.5 The following circumstances do not constitute an exception to the Rules for Contracts – they do still require formal approval using the standard paperwork covering justification of need and the formal award of the contract:
- The placing of an order under an existing contract or framework agreement (whether entered into by SCH or via a buying consortium of which SCH is a member or an affiliate)
 - The letting of a contract in accordance with any specific requirements placed on SCH as a condition of awarding a grant
- 7.6 Any decision to place an order or let a contract under paragraph 7.5 should only be taken if the contract or framework agreement under which the order is being placed is listed in the Contracts Register and the contract is placed in accordance with the procedure under the relevant contract or framework agreement.
- 7.7 The extension of an existing contract (where there is provision to do so within the terms and conditions) does not constitute an exception to the Rules for Contracts. However, approval must be obtained from the appropriate person with the correct authority level, and the contract manager should demonstrate that contractor performance is good and VFM is being achieved.
- 7.8 Any decision to extend a contract under paragraph 7.7 should only be taken if the contract has been confirmed by the Procurement Team as complying with the UK procurement rules and the contract is extended in accordance with the contract terms and conditions. Financial approval is also required to confirm sufficient funding is available within budget.

8 UK PROCUREMENT REGULATIONS

- 8.1 SCH, as a public sector organisation, is required to comply with the Public Contract Regulations 2015 (PCR's) which are the UK law
- 8.2 The Directives require organisations to follow detailed procedures for all purchases above financial threshold levels that are specified within the Directives and adjusted every two years. The current thresholds for the public sector are as follows (the latest thresholds will be published on the Procurement pages on the Intranet):

Directive	Threshold
Works	£ 4,733,252
Services	£ 189,330
Supply	£ 189,330

- 8.3 All Directives require purchasers to follow basic rules that incorporate the principles of:
- Non-Discrimination on the grounds of nationality
 - Equal treatment of all suppliers
 - Fair Competition
 - Transparency
 - Proportionality
- 8.4 All SCH procurement must comply with the PCR's except where the value of goods, works or services is below the applicable UK tendering threshold. Below this the principles behind the Public Contracts Regulations 2015 must still be considered. Establishing and validating Value for Money remain a requirement in all cases.
- 8.5 All UK Procurement processes will be led by a Procurement Officer and further information and guidance on UK Procurement, including any updates on threshold values, are published in the Procurement Pages on the Intranet.

9 FRAMEWORK AGREEMENTS

- 9.1 Framework Agreements are agreements between a purchasing consortia and suppliers(s) for the provision of goods, services and works that have already been pre-tendered in compliance with the UK Procurement Rules and are available to be accessed by other organisations such as SCH. Before using any framework, Procurement must validate that SCH are able to use the framework.
- 9.2 Procuring Officers should investigate the availability of suitable framework contracts for their requirements as they comply with UK procurement rules and also could shorten the procurement process, offer benefits of bulk buying, improved service and reduced administration costs over the period of the arrangement.
- 9.3 Further details regarding Framework Agreements and their use are contained within the guidance note on "Framework Agreements".

10 CHOICE OF PROCUREMENT ROUTE

- 10.1 Contracts must not be deliberately split-up into smaller bundles in an attempt to avoid exceeding a tender threshold.
- 10.2 Dependent upon the estimated value of the entire contract, the appropriate procurement route must be observed. The various procurement routes are set out below:

Total Estimated Value of Procurement Route to be Followed Contract	
Spot purchases up to £10,000	Demonstrate value for money. Minimum of three quotes should be obtained and evidenced in writing or by email. Where this is not available, benchmarking may be applied.
£10,000 £50,000	A minimum of 3 written quotes should be obtained
£50,001 +	At least 3 formal tenders should be obtained
Above UK tendering threshold – different for supply of “goods or services” or “works”.	In the case of the restricted procedure, a minimum of 5 candidates must be invited to tender Guidance must be sought from the Procurement Team throughout the process – the minimum timescales and strict rules regarding the UK process means that any tender will take at least 6 months to complete and good planning is therefore essential

- 10.3 The number of tenders to be evaluated set out in paragraph 10.2 is a “minimum” – tenders should be sought from more than this to ensure that the minimum number of tenders is actually achieved.
- 10.4 The selection and identification of potential tenderers should be undertaken in accordance with published SCH guidance and decisions taken should be documented formally using the appropriate form which will include evidence of authorisation at the appropriate level for the expected size of contract.
- 10.5 If a Project Team wishes to take a partnering approach to a particular project or group of projects, the approval of the ELT Procurement Board must be obtained PRIOR to any further action.
- 10.6 Where SCH proposes to make a contract on behalf of and mainly at the expense of another public authority (including under any statutory agency) the SCH Code and Rules for Contract must be followed.

11 TUPE

- 11.1 The Transfer of Undertakings (Protection of Employment) Regulations 2014 (“TUPE”) protects employment rights and preserves employees’ contracts of employment under certain conditions when a new contract is awarded and can apply to subcontractors.

- 11.2 If the Procuring Officer is not sure whether TUPE could apply to a contract to be procured, the officer should consult with Human Resources before commencing a Procurement Process.
- 11.3 Further details on TUPE application and implication are contained within the guidance note “TUPE”.

12 FORMAL LEASEHOLDER AND TENANT CONSULTATION

- 12.1 Procuring Officers should make arrangements to consult leaseholders and tenants on any contracts for services and works that directly impact or interface with them.
- 12.2 Under Section 20 of the Landlord and Tenant Act 1985, (as amended by the Common and Leasehold Reform Act 2002) leaseholders must be consulted formally where SCH procures:
- a “qualifying long-term agreement” (QLTA) for which any leaseholder will be charged more than £100 in service charges in a 12 month period; and/or
 - “qualifying works” for which any leaseholder will be charged over £250 in service charges in a 12 month period.

13 FORMS OF CONTRACT

- 13.1 Choosing the form of contract is a key element of the procurement process, the form chosen must be suitable for the nature, value and type of the contract works or services.
- 13.2 Further details on Forms of Contract and choosing the correct one, are contained within the guidance note “Forms of Contract”.

14 PRE-QUALIFICATION AND SELECTION PROCEDURES

- 14.1 Before a tender is sought it is necessary to ensure that any potential contractor/supplier has a minimum level of financial stability, organisational proficiency and technical competency and that the tenderer meets SCH’s selection criteria. Responsibility for assessing the minimum level of proficiency, competency and selection criteria lies with the Officer leading the Project Team supported by the Procurement Team.
- 14.2 Further details on the application of Pre-Qualification and Selection Procedures are contained within the guidance note “Pre-Qualification and Selection”.

15 INVITATION TO PROVIDE QUOTATIONS OR TENDERS

- 15.1 The undertaking of the invitation to quote / tender process is a key element to deliver a successful procurement procedure.
- 15.2 The Invitation to Tender is a formal document asking tenderers to submit a quote/tender, which should be compiled from SCH’s suite of standard invitation to

quote/tender document templates. Further details on the process are contained within the guidance note "Invitation to Quote/Tender, Award Criteria and Evaluating Bids".

- 15.3 All quotations and tenders are to be returned in accordance with the process contained with the guidance note for "Procedure for despatch, return and opening of tenders and quotations".

16 AWARD CRITERIA AND EVALUATING BIDS

- 16.1 If an FTS notice is being placed, evaluation criteria must be contained in the notice. Prior to Invitation to Tender documents being issued, the award criteria and a suitable marking system must have been agreed by the evaluation panel and approved by the Audit and Risk Committee and Project Review Board. Further detail on the process is contained within the guidance note "Invitation to Tender, Award Criteria and Evaluating Bids".
- 16.2 The evaluation of bids must be strictly undertaken in accordance with the procedures stated in the Invitation to Tender Documents and at all times be a fair, clear and auditable process.
- 16.3 All contractors will be financially evaluated to ensure they meet expectations on financial stability. Where there is a cause for concern on a company's financial stability the contractor may not be considered further.
- 16.4 A contract may be awarded on the basis of lowest price or the basis of 'the most economically advantageous tender' (known as MEAT). Most award criteria involve a combination of price and quality and guidelines for indicative ratios are contained within the guidance note "Invitation to Quote/Tender, Award Criteria and Evaluating Bids".

17 POST TENDER NEGOTIATION

- 17.1 Post Tender Negotiation (PTN) where appropriate, is undertaken after the receipt of formal tenders, and before the letting of a contract. PTN should not be confused with "tender" or "Tender clarification". Tender Clarification is purely for the purpose of clarifying aspects of the tender, which are perhaps ambiguous or anomalous. PTN, on the other hand, is a tool to develop aspects of the tender to improve or enhance Value for Money (VFM).
- 17.2 PTN should not be conducted in a way that is unfair or discriminatory, puts any tenderers at a disadvantage, distorts competition or adversely affects trust in the competitive tendering process. In particular, PTN must not become any form of "Dutch Auction".
- 17.3 PTN should not be used automatically on all procurements and SCH's approach to it is set out in a formal published guidance note. For contracts procured under the UK procurement rules, PTN is not permitted under the open or restricted procedure and is only available under the negotiated procedure, competitive procedure with negotiation, competitive dialogue and innovation partnerships.

17.4 Before engaging in PTN, the following criteria must be met:

- there must be a considered and soundly based prospect of improving value for money;
- it must be possible to justify the resource costs;
- it must receive prior approval from the relevant Head of Service;
- Procurement Team staff must conduct negotiations;
- Negotiations must be fully documented, with a clear audit trail.

18 NEGOTIATION

18.1 There will be occasions where competitive tendering is not used: for example, where the costs involved in tendering, in comparison with the value of the purchase would not justify the process (in which cases alternative means of testing the market for competitive sources of supply should be used) or, exceptionally, where only one contractor/supplier is available for a procurement not subject to the UK procurement rules. In these circumstances it is perfectly acceptable to negotiate with the supplier concerned, in order to reach a mutually acceptable agreement which provides value for money.

18.2 In relation to contracts following UK procurement rules, the negotiation can be used only in specific circumstances. Some of these differ depending on whether the contract is for works, services or supplies. Officers should seek advice from the Procurement Team.

18.3 Any such negotiation must be supported by justifiable reasons, which are fully documented in line with paragraph 7.1; Exceptions to the Rules for Contracts.

18.4 Negotiations must be undertaken in line with the published guidance note. All communications with the supplier/contractor should be properly recorded in writing so that a clear audit trail is maintained.

19 AWARDING CONTRACTS, STANDSTILL PROCEDURES AND AUDIT TRAILS

19.1 An Authorised Officer awarding a contract must ensure that clear details of the quotation/tender process from evaluation through to the award of the contract are appropriately recorded on the approved forms located on the Procurement intranet pages. The contract file should also contain sufficient evidence to support the decision that has been made; this can be in electronic or hard-copy format as appropriate.

19.2 A contract must only be awarded by a person with the authority to do so, who must ensure that the appropriate budget holder has the funds in place to sustain the contract prior to making the award. Confirmation of available future budgets should be obtained from the Finance Team.

19.3 Brief details of all contracts awarded must be passed to the Procurement Team to ensure accurate contract records are maintained.

19.4 For all contracts tendered under the UK procurement rules, a 15 day 'standstill period' must be observed between the date the award decision (as approved at the

appropriate level) is communicated by post and contract conclusion (the point at which the Contract is signed). The 'standstill period' can be reduced to 10 days if the award decision is communicated electronically.

- 19.5 The standstill period is a legal obligation that SCH operates for all UK and appropriate non UK tenders and provides an opportunity for tenderers to review the procurement process and award, and potentially challenge any perceived rule-adherence issues before any contract is signed.
- 19.6 In the eventuality of a challenge the procurement process is automatically suspended, and the contract cannot be awarded until either a court terminates the suspension, or the challenge proceedings are brought to an end by agreement by both SCH and the tenderer who has brought a challenge.
- 19.7 A contract is at risk of being set aside (i.e. cancelled) on a challenge if SCH:
- does not follow the contract award procedure properly; or
 - signs the contract before the end of the standstill period.
- 19.8 Once the decision to award a contract is made, each tenderer **must** be notified in writing of the outcome of the tender process as required by the Regulations.

20 BONDS AND PARENT COMPANY GUARANTEES

- 20.1 The purpose of a Bond or Parent Company Guarantee is to provide an insurance to recover costs for SCH should any contractor/supplier default on a contract for reasons of insolvency.
- 20.2 The need for a Bond or Parent Company Guarantee should be viewed on a case by case basis and agreed with the ELT Procurement Board and the Procurement Manager. Guidance Note "Guarantee Bonds" sets out the factors to be considered when determining the need for a bond.
- 20.3 Where it is determined that a Bond is required, the value of the bond (usually 10% of the contract value) should be assessed to determine whether the amount is sufficient to cover all potential losses or specific losses (such as re-tendering costs and costs of getting a new contractor/supplier to complete the work).
- 20.4 In such cases, the tenderers should be requested to detail the cost of arranging the Bond (together with the surety (usually a bank or insurance company) on the Form of Tender, separate to the Contract sum.

21 EXECUTION OF CONTRACTS

- 21.1 Following the award of a contract it will be necessary to formally execute the contract. There are essentially two types of contracts used:
- simple contract
 - contract executed "under deed"

- 21.2 Simple contracts include all contracts, which are not deeds and that are concluded by exchange of documents or letters. They may be made orally, in writing, or by implication from conduct, but must possess the essential elements for formation of a valid contract (offer, acceptance and consideration).
- 21.3 Simple contracts through the exchange of letters are acceptable for straightforward, low risk and low value contracts. The letter should list by reference, all documents which are to be incorporated into the agreement and which form the basis of the acceptance, e.g. exchanges of correspondence prior to award. It is essential that any correspondence or references to negotiations on fees or alteration to the services, which have been agreed with the tenderer, be referred to in the letter of acceptance.
- 21.4 More complex contracts and those up to the value of £1,000,000 must be executed through the completion of a set of contract documents signed by Authorised Signatories for both parties.
- 21.5 For all contracts the Procurement Team should retain the SCH original copy of the agreement and issue a copy to the contractor or supplier.
- 21.6 Contracts with a value in excess of £1,000,000 must be executed as “a deed”. In addition to this requirement, by law certain types of contracts must also be executed by deed regardless of value, such as those that convey land.
- 21.7 For a contract to be executed as a deed, it should clearly state that it “is a deed” and the SCH Company Seal should be affixed in the presence of the Company Secretary and authorised Head of Service or the Chief Executive.
- 21.8 The right of action arising out of a contract signed or executed as a deed continues for twelve years rather than the six year period that applies to simple contracts.
- 21.9 For all types of contract, it is essential that the contract documents are signed by both parties before commencement of any work by the contractor.
- 21.10 For all contracts for works to existing buildings with a value greater than £5m a Joint Names Insurance Policy shall be required. In such instances the Joint Names shall be “the Council” in one part and “the Contractor” in the other part.

22 ASSIGNMENT AND SUB-LETTING

- 22.1 All contracts made by or for any part of SCH must include a clause enabling its assignment to the Council at such time that the ALMO might come to an end.
- 22.2 A contractor shall not transfer, assign or sub-let a contract or any portion thereof without the written permission of SCH. Consent shall not be unreasonably delayed or withheld.

23 CONTRACT MANAGEMENT

- 23.1 Each project or contract should have a suitably experienced, trained and competent Administrator or Project Manager appointed who will be responsible for ensuring

that the project or contract delivers what it was designed to deliver to the agreed standard and specification.

- 23.2 Further details on the contract management process are contained within the guidance note “Contract Management”.

Section 3 Financial Regulations

1. GENERAL

- 1.1 All staff have a general responsibility for taking reasonable action to provide for the security of the assets of the company under their control and for avoiding loss. They are expected to exercise due economy and efficiency in the use of resources, in the execution of approved plans, and in the running of services. The Chief Financial Officer (CFO) will ensure that appropriate Financial Regulations are in place for SCH. The Assistant Director of Finance & Property Services for the Council will carry out the role of the Chief Financial Officer.
- 1.2 The Chief Financial Officer is responsible for maintaining the accounts of the Company. The accounting system in use shall be as laid down by the Chief Financial Officer and agreed with the Board and the Council.
- 1.3 The Chief Financial Officer may report any case of non-compliance with these regulations and any case of non-compliance with the authorised accounting system to the Audit & Risk Committee after consultation with the Chief Executive. The Company may take disciplinary or other action against anyone to whom these Regulations apply but who fails to comply with them.
- 1.4 The Chief Financial Officer may issue such instructions, give such advice or establish such procedures as are in his opinion necessary to ensure the proper administration of the Company's financial affairs. Any such instructions, advice or procedures termed "Accounting Instructions" by the Chief Financial Officer shall be applied as though they were part of these regulations.
- 1.5 Members of the Executive **Leadership** Team are responsible for the maintenance of adequate levels of internal control. The Chief Financial Officer is responsible for ensuring that financial controls operated by **ELT** / Heads of Service are adequate by ensuring that detailed financial procedures and systems are prepared, documented and maintained, incorporating the principles of internal control.
- 1.6 Members of the Executive **Leadership** Team must establish appropriate organisation structures to ensure:
- Work is organised to maximise efficiency in the use of resources, eliminate duplication of effort, achieve objectives and plans and maintain a disciplined control environment;
 - Adequate resources are deployed at all levels to meet objectives and plans;
 - Appropriate communication takes place; and
 - A framework of staff development which fosters commitment to the organisation, its objectives and plans and its control environment.
- 1.7 **ELT** members are responsible for ensuring that the following rules in relation to

segregation of duties are observed:

- Areas of activity involving risk are separated (e.g. the duty of providing, calculating, checking and recording sums due to or from the Company shall be separated from the duty of collecting or disbursing these sums);
- Clear lines of authority are established;
- All areas of work are either independently supervised, validated or reconciled; and
- Competence and accountability are promoted.

1.8 Unintentional errors have a high chance of being detected through independent supervisory checks. By following these rules, the risk of intentional errors or abuse and the opportunity for collusion are also reduced.

1.9 ELT members are responsible for making adequate arrangements for the custody and control of the stocks and stores in their respective departments and for keeping such records and inventories as the Chief Financial Officer may require. They shall ensure that appropriate safeguards are established to:

- Limit access to assets, systems and records;
- Protect personnel;
- Establish clear control of the use of assets and custodial responsibility for them; and
- Enable records to be reconstituted in the event of system failure.

1.10 ELT members are responsible for ensuring that appropriate authorisation and approval procedures are established to ensure:

- Management policies and plans are adhered to;
- Only legitimate activities are performed;
- The integrity of systems through the validation of data;
- The use of assets and systems are controlled; and
- The operation of authority is documented and a clear management (or audit) trail is maintained

2. REVENUE BUDGETS

2.1 Annual revenue budgets will be prepared by the Executive Leadership Team taking into account any general directions that may be given to them by the Board and the Council. As part of this process, each Executive Director, where appropriate, will discuss the general level of capital funding available for the year with the Chief Financial Officer before finalising their proposals.

2.2 The Chief Financial Officer will present this budget to the Board for approval before 31 March in each year. The documents presented will include such summaries, statements and reports as are considered necessary to enable proper consideration of the budget.

2.3 A schedule of fees and charges to be levied by SCH will be approved by the Board as part of approving the revenue budget. Once approved these fees and charges cannot

be amended without the approval of the SCH Board and the Council's Cabinet where appropriate.

- 2.4 No Directorate should exceed its approved budget without prior approval and should execute and manage its functions so as to maintain their costs within its approved budget.
- 2.5 Subject to the provisions of Clause 4.6 below concerning virement, a department may reallocate their overall budget during the year provided that no future financial commitment arises as a result and expected service standards are maintained.
- 2.6 If all or part of a budget becomes surplus to need, for whatever reason, the team should report this, in the first instance, to the Finance Manager via the relevant Executive Director, Head of Service or Senior Manager for onward reporting to ELT, who will determine in the first instance how such savings should be best used.
- 2.7 Where there is the potential to apply for grant funding, the application needs to be approved in advance by the Chief Financial Officer, ELT and where necessary the Board.
- 2.8 Where an activity is to be funded by an external grant, no liability should be incurred until formal notification of the grant has been received.
- 2.9 No expenditure should be made, or loss of income incurred other than in accordance with these regulations except in cases of extreme urgency or where the Company is obliged to proceed. In such cases the action should be reported to ELT (and the Board where appropriate) at the first possible opportunity. It is the responsibility of the relevant Executive Director to ensure that a record of all terms and conditions associated with grant funding is maintained for the duration that the terms and conditions apply.

3. CAPITAL PROGRAMME BUDGETS

- 3.1 Annual capital budgets will be prepared taking into account any general directions that may be given to them by the Board and the Council. As part of this process, each Executive Director, where appropriate, will discuss the general level of capital funding available for the year with the Chief Financial Officer before finalising its proposals.
- 3.2 The Chief Financial Officer will present this budget to the Board for approval before 31 March in each year. The documents presented will include such summaries, statements and reports as are considered necessary to enable proper consideration of the budget.
- 3.3 The draft Capital Programme will also be presented to the appropriate approval body within the Council for approval and ratification before 31 March in each year.
- 3.4 No member of staff may enter into an arrangement for credit, such as a leasing agreement, without first obtaining the consent of the Chief Financial Officer in addition to obtaining the appropriate authorisation for the expenditure. Any agreements must be signed by the Chief Executive and an Executive Director.

3.5 The Company Secretary will keep a record of all leases and similar agreements entered into by the Company. It is the responsibility of each Executive Director to ensure that copies of leases entered into during the year are provided to the Company Secretary for this purpose.

4. CONTROL OF EXPENDITURE

4.1 The Chief Financial Officer will establish and maintain an appropriate and effective system of budgetary control. This will ensure that:

All officers within **directorates** who are specified as budget holders (responsible for engaging staff or otherwise incurring expenditure) comply with the requirements of that system;

- Every cost centre budget is administered by one named budget holder, determined by the appropriate Executive Director;
- Budget holders are only responsible for expenditure which they can influence;
- Officers entering into financial commitments ensure that they are recorded and reported using any process set down by the Chief Financial Officer as soon as the terms have been agreed in order that any decisions made are based on the most complete information available;
- Significant variances from approved budgets are investigated on a regular basis by budget holders;

4.2 Members of **ELT** and Officers must make arrangements to ensure that effective monitoring of expenditure and income takes place throughout the year to ensure that the Company manages its operations within available funds.

4.3 The Chief Financial Officer will ensure that line managers (or appropriate officers within their teams) have access to a monthly variance analysis report to consider and to enable them to determine and implement appropriate actions in respect of significant variances from budgets. **ELT** will receive a monthly report summarising the financial position against budget for the whole company and will discuss and agree any proposed changes or remedial actions.

4.4 The Chief Financial Officer will periodically inform **ELT** (and the Board where appropriate) of the financial and economic impact of changes in policy, pay awards and other events and trends on budgets and any risks to future plans and projects.

4.5 All Heads of Service and Senior Managers should ensure that prior approval is sought from **ELT** (or the Board as appropriate) before the Company is committed to expenditure for which no specific provision has been made within revenue budgets, where this cannot be managed in accordance with paragraph 2.5 above.

4.6 Virement is the transfer of funding allocated to one budget heading to another budget heading. Virements should be requested only where there is a genuine change in the financial plans of SCH and not used to mask minor under / overspends. The minimum virement level will be £1,000 and for the capital programme virements will only be processed once they have been approved by the relevant Cabinet Member at the Council as part of budget setting or the mid-year review. All requests to transfer

funding must comply with the following basic rules which have significantly changed from 2020/21:

	Within a cost centre	Within a Directorate	Between Directorates
Up to £50k	Budget Manager	Head of Service	Executive Directors
£50k - £100k	Head of Service	Executive Director	ELT
Over £100k	ELT & Ratified by Board	ELT & Ratified by Board	ELT & Ratified by Board

Transfers between Capital and Revenue are NOT allowed. Transfers to/from Ring-fenced activities must be approved by the Board. In circumstances where the Budget Manager is also the Head of Service or Executive Director approval would be required from the level above.

4.7 Current examples of Ring-Fenced activities include but are not limited to:

- Private Sector Leasing
 - Syrian Families properties
 - Wellbeing service funded by Handyperson Grant
 - Any specific budget lines funded from Reserves (e.g. Feasibility works)
 - Budget lines relating to Service Level Agreements (e.g. Legal services)
 - Private Sector Adaptations

4.8 Line managers must ensure the accurate financial coding of expenditure and income and the correct treatment of VAT. Only codes as set out in the annual budget, and shown on the monthly monitoring reports, should be used unless approved by the Chief Financial Officer. Any expenditure for which there is no budget should be dealt with as set out in paragraphs 4.5 and 4.6 above.

5. FINANCIAL REPORTING

5.1 The Chief Financial Officer will arrange for the preparation of monthly statements of income and expenditure against budget (taking into account any amendments to budget) and report them to the Board on a quarterly basis. In addition, statements will also be discussed at ELT meetings on a monthly basis following financial monitoring meetings.

5.2 In the event of a significant variance between budget and cost for a major project for which Board (or Committee) approval was obtained, the outturn and an explanation should be reported to the appropriate Committee as well as the Board.

5.3 The Chief Financial Officer will ensure that appropriate procedures are put in place to enable the accurate reporting of costs in respect of any specific area of operation requested by any of the Executive Directors.

6. INCOME

6.1 The Chief Financial Officer will ensure that safe and efficient arrangements are in place for the receipt and issue of monies.

- 6.2 The procedures for the receipt, handling, banking and recording of cash receipts shall be in accordance with the Council's Cash Handling Instructions. This covers all sums received by staff of the Company in respect of rents, council tax and any other related payments due to either the Council or to the Company.
- 6.3 All documents used to officially acknowledge, or record amounts received, or receivable must be approved by the Chief Financial Officer. Where pre-printed, such stationery shall be ordered and controlled and subject to the same safeguards as cash.
- 6.4 Every sum of money (in whatever form) received by any authorised officer of the Company must be immediately acknowledged by the issue of an official receipt unless any special arrangements have been approved by the Chief Financial Officer. The receipt must still be recorded in the normal form, for office use only and marked accordingly even if the payee does not request one.
- 6.5 Every transfer of monies from one officer to another must be documented and signed for at the time of transfer using the agreed log.
- 6.6 All monies received must be banked in accordance with arrangements set out by the Chief Financial Officer. Banking should be daily (weekly where the weekly receipts do not exceed £250), except as otherwise agreed. All cheques, postal or money orders received in any department shall be crossed specially.
- 6.7 In accordance with the Accounts and Audit Regulations 1983, when making a banking the paying-in-slip (and duplicate) must detail for every cheque the debt reference and whether it represents either full or part payment of the debt.
- 6.8 Officers should supply the Chief Financial Officer (through the **Financial Operations** team) with all relevant information to enable Sundry Debtor invoices to be raised in accordance with agreed procedures. In the event of queries, originating teams are expected to provide any necessary support to the **Financial Operations** team to enable prompt resolution.
- 6.9 The Chief Financial Officer shall ensure that all irrecoverable sums are recorded appropriately.

7. PAYMENT OF ACCOUNTS

- 7.1 All payments must be made by BACS transfer or cheque in accordance with the bank mandate in force, except where otherwise requested by the payee or otherwise ordered by the Chief Financial Officer.
- 7.2 The Chief Financial Officer may withhold payment of any sums where the requirements of Standing Orders have not been met. Payment can be held up until the requirements have been met or, for whatever reason, the requirements have been waived.
- 7.3 Invoices received should be sent in the first instance to the **Financial Operations** Team

in accordance with instructions to be specified on the order.

7.4 All invoices, once approved by the relevant authorising officer, and all approved certificates for payments under contracts should be submitted to the Finance Team for payment in a timely manner to ensure that credit terms and invoice payment targets are met.

7.5 The certification of an invoice by an authorised officer (except where otherwise agreed with the Chief Financial Officer) means:

- The order was placed after following the appropriate procurement process in accordance with Rules for Contracts and in advance of the goods being received,
- That the goods received have been examined and approved as in accordance with the specification, or the services have been satisfactorily carried out using materials of the requisite standard,
- That prices (including all elements of the total charge) are in accordance with the contract or order,
- That the order record (electronic or manual) has been updated to reflect the approved payment being processed and that no duplicate payments have been made; and
- That all such accounts are arithmetically correct.

7.6 Payments in advance of the receipt of goods and / or services should not be made unless they appear on the table, below for which the Chief Financial Officer has given approval, or specific approval is sought.

- Up to £1,000 approved by the relevant member of ELT
- Above £1,000 approved by Chief Financial Officer – see table below for pre-existing approvals

Type of agreement	Approval Given
Leasing	No more than three months in advance and in accordance with leasing agreement
Private Sector Leasing Rents	No more than 12 months in advance and in accordance with rental agreement
Office Rents	No more than three months in advance and in accordance with leasing agreement
Software Licences	No more than 12 months in advance and in accordance with the relevant contract/ agreement
Services provided by the Council	No more than 12 months in advance and in accordance with the SLA or with the agreement of the Chief Executive

7.7 The Chief Financial Officer will maintain a Schedule of Delegations. This shall set out the delegated levels of authority for all members of staff who have been given authority to make payments or incur liabilities on behalf of the Company. This schedule should be updated to reflect changes in staff and responsibilities as they occur and should be reviewed annually.

7.8 The table below details the approved levels of delegations:

Group	Individuals	£
Chief Executive & Chief Financial Officer	Chief Executive & Chief Financial Officer	2,000,000
Executive Directors	Executive Director of Assets & Development Executive Director of Housing & Communities Executive Director of Customer Service Transformation & Business Support	1,000,000
Heads of Service	Head of Asset Management	500,000
	Head of Neighbourhood Services	250,000
Budget Holders	All Others (Revenue)	50,000

7.9 In addition to the scheme of delegations detailed above SCH operates the Open Contractor repair system, which has a range of delegation levels in-built to allow the repairs service to function. The delegation levels within the Open Contractor system should be reviewed annually and levels agreed by the Head of Asset Management and the Chief Financial Officer. The table below details the approved levels within the system to which users must be linked. No changes should be made to this list without approval from the Head of Asset Management and the Chief Financial Officer.

Description	Contract	Job Completion Value	Job Logging Value	Job Variation Value
Level 1 – Executive Director of Assets & Development	All	1,000,000	1,000,000	100,000
Level 2 – Senior Managers	All	100,000	100,000	30,000
Level 3 – Operations level Manager / Senior Surveyor	All	50,000	50,000	20,000
Level 4 – Project Manager	All	15,000	15,000	10,000
Level 5 – Contract Manager / Team	All	5,000	5,000	2,500

Leader / Clerk of Works				
Level 6 – Admin / Scheduler	All	0	500	0
Level 6 – Admin / Scheduler	DTDDIR	0	1,000	2,500
Level 6 – Admin / Scheduler	FIREINTG	0	1,000	2,500
Level 6 – Admin / Scheduler	VOIDDIR	0	1,000	2,500
Level 6 – Admin / Scheduler	ADAPWRK	0	1,000	2,500
Level 7 – View ONLY	All	0	0	0
Level 8 – Payments Team ONLY	All	0	0	0
Level 9 – Systems Support ONLY	All	0	0	500
Level 9 – Systems Support ONLY	MECHELEX	250	0	10

8. VALUE ADDED TAX (VAT) AND CONSTRUCTION INDUSTRY SCHEME (CIS)

- 8.1 Each authorising officer and Executive Director must ensure that the correct VAT liability is attached to ALL income and that VAT recoverable on purchases complies with HM Revenue & Customs regulations.
- 8.2 Each member of ELT must ensure that where construction and maintenance works are undertaken, the contractor fulfils the necessary CIS criteria and that the Financial Operations Team is advised of their CIS status, who will then complete the validation of contractors using the on-line HM Revenue & Customs system.
- 8.3 The Chief Financial Officer is responsible for ensuring the timely submission of all appropriate returns to HM Revenue & Customs.

9. PETTY CASH AND PURCHASE CARDS

- 9.1 The Chief Financial Officer may make advances to authorised persons to meet appropriate minor cash expenses. The amount of any individual payment should not exceed any limit prescribed by the Chief Financial Officer.
- 9.2 The provision of services by a third party should be paid for by BACS transfer or cheques and not petty cash.
- 9.3 Petty cash should not be used as “prize money” under any circumstances.
- 9.4 The Float holder is required to sign a receipt in respect of each advance and will be required to account for expenditure made out of the advance on a regular basis

(usually monthly). Floats will be topped up to the float level on receipt of these returns (which should include receipts) in accordance with guidance issued by the Chief Financial Officer.

- 9.5 The Chief Financial Officer may make purchase cards available to authorised persons to enable them to meet appropriate minor purchases. The overall card limit and individual payment limits should not exceed any limit prescribed by the Chief Financial Officer.
- 9.6 The Card holder is required to sign to confirm receipt of the card and that they will abide by the conditions for use of the card. They will be required to account for expenditure made on the card on a monthly basis; this includes on-line reconciliation as well as the presentation of a summary of expenditure together with receipts for signature by the nominated authorising officer.
- 9.7 Unannounced spot checks may be carried out by the **Financial Operations** team or Internal Audit to ensure that appropriate records of transactions are being maintained at all times and that the cash float and/or card is being held securely.

10. SALARIES AND PENSIONS

- 10.1 Each Executive Director, Head of Service or their delegated managers (as regards employees in his department) shall notify the Head of Human Resources in writing of all staff changes, absences, or any other circumstances affecting the remuneration of these employees in accordance with the arrangements put in place by the Company. In signing such notifications, the officer concerned confirms the validity of the amendment and certifies that all relevant authorisations have been received.
- 10.2 The Head of Human Resources at the Council is responsible for the general control and payment of all salaries, wages and pensions and shall prescribe the procedures for the certification of timesheets and for the payment of salaries. The Head of Service is responsible for the notification of the cost code to which the salary of employees in any of their teams is to be charged.
- 10.3 Payment of salaries and wages in advance shall not normally be made without the prior approval of the Chief Financial Officer.
- 10.4 Write-off of overpayment of salaries will only occur in exceptional circumstances with the approval of the Chief Financial Officer.

11. TREASURY MANAGEMENT

- 11.1 The Chief Financial Officer shall arrange the borrowings and investment of the Company in order to comply with the CIPFA Code of Practice on Treasury Management and the Approved Treasury Policy Statement and will work with the Council's Treasury Management Team in order to do so.
- 11.2 The Chief Financial Officer shall report periodically to the Board on the activities of the Treasury Management function where relevant.

12. RISK MANAGEMENT

- 12.1 The Chief Executive is responsible for ensuring that the Company has appropriate arrangements in place to ensure the effective management of risk. This is set out in the Risk Management Policy and Procedure, which is approved by the Board.
- 12.2 The arrangements include provision for the regular review of risks at a Board, Committee, corporate and operational level using a standard methodology as set out in the Risk Management Policy and Procedure. The Chief Financial Officer will carry out periodic checks to ensure that reviews of financial risks take place as required by the policy.
- 12.3 Reviews of any risk register are expected to give due consideration to the following:
- Identification of any new risks and how they will be managed (mitigating actions).
 - Assessment of the continuing effectiveness of mitigating actions to manage identified risks.
 - Assessment of the impact and likelihood of identified risks and any changes since the last review.
 - Confirming that identified risks are still valid and if not should they be closed
 - Consider whether any identified risks need to be escalated

13. INSURANCE

- 13.1 The Chief Financial Officer will arrange all insurances and keep appropriate records; in particular, they will arrange for **Trustee Indemnity cover from a suitable supplier with reasonable terms where this is possible in the general insurance market and fidelity guarantee insurance for the due performance of the duties of any Officer charged with the receipt, custody and/or disbursement of monies and property.**
- 13.2 Officers will ensure compliance of the Insurance Act 2015 and the Duty of Fair Presentation in respect of any request or alteration of insurance cover or assessment of exposure to risk for any service provision or asset during any period of insurance cover or at the request by the Chief Financial Officer upon renewal or alteration to insurance cover that may be required.
- 13.3 Officers will ensure that any disclosure of risk is made in a manner which is reasonably clear and accessible and cooperate with any reasonable request for information that may be required by the Council's/SCH Insurer(s).
- 13.4 Officers will notify the Chief Financial Officer of new risks that the organisation will be undertaking by way of new activities or service provision or any alterations affecting existing risks, potential liabilities or insurance.
- 13.5 Officers will notify the Chief Financial Officer of any new assets such as property, vehicles or other valuable items regardless of whether insurance cover is anticipated

to ensure that appropriate arrangements can be assessed and put in place as determined. Asset and major risks should be notified in advance of cover being required.

- 13.6 Officers will immediately notify the Chief Financial Officer of any loss, liability or damage that may give rise to a claim against SCH or the Council, together with any information or explanation required by the Chief Financial Officer or the Council's insurers.
- 13.7 Officers will consult the Chief Financial Officer on the terms of any indemnity that SCH may be required to give to another party and will consult the Chief Financial Officer on any partnership or agreement for the provision of services that may be considered to ensure that any terms on indemnity, liability or insurance are appropriate.
- 13.8 Officers will ensure that employees, or anyone covered by the insurance arrangements do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- 13.9 Officers will ensure that employees, or anyone connected with the delivery of services covered by the insurance arrangements, do nothing that breaches the terms and conditions of these policies and would lead to the voiding of the cover.
- 13.10 Officers will fully cooperate and ensure accessibility is provided upon the reasonable request of the Chief Financial Officer or the Council's Insurer(s) regarding a service provision or assessment of an asset which may include physical surveys and / or discussion with the Insurer.
- 13.11 Officers will ensure compliance of any policy terms, conditions or warranties of any policy of insurance that may be in force including any terms or requirements following additional review or survey by the Council's Insurer(s).

14. AUDIT

- 14.1 The Accounts and Audit Regulations 2015 require the Company to undertake an adequate and effective internal audit of its accounting records and control systems. This duty has been delegated to the Council's Head of Audit Services and he must report promptly any significant discrepancies that come to light (other than those caused by purely technical errors). The work of internal audit shall be based upon the principles and practices required in the Public Sector Internal Audit Standards (PSIAS).
- 14.2 The Companies Act 2006 requires the Company to submit to an annual external audit of its accounting records and control systems. The Chief Financial Officer will assist the Board in the appointment of a suitable firm of auditors qualified to carry out such work.
- 14.3 The Chief Financial Officer is required to make the necessary arrangements for the audit to be carried out and is legally obliged to give the appointed auditor every assistance in the execution and completion of their work.

- 14.4 Authorised staff of the appointed internal and external auditors are entitled without necessarily giving prior notice, to require and receive:
- Access to all assets, records, documents, correspondence and control systems, including documents of a confidential nature;
 - Access to any premises or land occupied by the Company for the purpose of the Company's business at all reasonable times;
 - The production or identification by any employee of any cash, stores, assets or other property belonging to the Company, under the employee's control; and
 - Any information and explanations considered necessary concerning any matter under consideration or investigation.
- 14.5 The Head of Audit Services will submit an annual internal audit report to the Audit & Risk Committee stating the extent of audit work carried out together with a summary of the conclusions drawn. Internal Audit will also provide the Committee with an independent assessment of the Internal Control environment in place, which will be used to support the Statement on Internal Control within the Company's annual report and accounts.
- 14.6 The Chief Financial Officer will submit the annual report and accounts to the Audit and Risk Committee for review and approval following the completion of the external audit. The external auditor will also provide the Committee with the findings from their audit together with any recommendations with regard to internal processes and controls.
- 14.7 The approved annual report and accounts will then be tabled at the next Annual General Meeting of the Company in accordance with regulations laid down within the Companies Acts and the Memorandum & Articles of Association of the Company.

15. FRAUD AND CORRUPTION

- 15.1 Responsibility for the prevention and detection of fraud rests with all officers and to fulfil this responsibility, a system of internal control must be maintained.
- 15.2 The Head of Audit Services must be informed immediately by the appropriate Head of Service or authorised officer of any disciplinary matter, any actual or suspected loss or financial irregularity, or of any circumstances which suggest the possibility of losses or irregularities, including those affecting cash, stores or other property of the Company.
- 15.3 Internal audit has a responsibility embodied in the PSIAS (as set out in 14.1) to review, appraise and report upon the extent to which the Company's assets and interests are accounted for and safeguarded from loss of all kind arising from:
- Fraud and other offences; and
 - Waste, extravagance and inefficient administration, poor value for money or other cause.
- 15.4 Internal audit has the responsibility to investigate fraud committed by staff and fraud related offences regarding the misuse of property.

- 15.5 The Prevention of Social Housing Fraud Act 2013, Section 3 requires the Council through its Internal Audit function to investigate tenancy fraud, authorises the request for information from organisations and where appropriate prosecute.
- 15.6 In order to satisfy this, internal audit look to identify any serious weaknesses in systems of internal control which might lead to fraud. Where weaknesses are identified, tests will be carried out to establish if any fraud or irregularity has taken place. Internal audit is also responsible for making recommendations to strengthen control systems where weaknesses have been identified.
- 15.7 The Head of Audit Services is responsible for ensuring an investigation of any circumstances as outlined in 15.2 so that he can decide on the appropriate action. Where appropriate, the Head of Audit Services will inform the Police of suspected fraud or corruption and will liaise with them on the handling of any investigations.

16. COMPUTER SERVICES

- 16.1 The Council's Head of ICT is responsible for the provision and maintenance of central computer services and will ensure that any necessary procedures are put in place to protect the Company and other persons from inappropriate use or misuse of any financial or other information held on central computer files. The term "Central Computer Services" encompasses any activity carried out on computer applications, systems and associated networks used by the Company.
- 16.2 The Head of ICT will ensure that arrangements are in place:
- For the implementation of adequate controls both centrally and by users to provide for the security of applications and systems
 - Offer advice regarding the security and operation of non-financial systems, and on the Data Protection Act
 - Advise and support the company/ with the purchase and implementation of any new system/equipment
- 16.3 Members of the EMT/ Heads of Service shall maintain appropriate procedures to ensure the integrity, accuracy and security of data within their areas of responsibility at all times. The Chief Financial Officer will ensure the adequacy of controls over the financial accounting system and data feeding into it.
- 16.4 The basic requirements to protect both the computer assets and the data held on all computers of the Company are defined in the Computer Security Policy, which forms part of these Regulations.

17. EMPLOYMENT TERMINATION COSTS

- 17.1 Expenditure associated with termination of employment (Redundancy, Pay in lieu of notice and compromise agreements) must be approved before any offer can be discussed and / or agreed with the employee and the relevant "Early Leaver" form should be completed and authorised by the relevant Line Manager, Head of Service and the Chief Financial Officer. The approval route is as per the table below.

Up to £100k	Chief Executive & Chief Financial Officer
Over £100k	Chief Executive & Chief Financial Officer make recommendation to HR and Remuneration Committee

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Amendments to Standing Orders July 2020

Sections 1 & 2 Governance and Rules for Contract

Page Number	Details of Amendment	
Cover Page	Dates of amendment and revision of standing orders	
Throughout document	References to Executive Management Team (EMT) replaced with Executive Leadership Team (ELT)	
Paragraph 15.5	Bi-annual Declarations of Interests replaced with annual declarations	
Rules for Contract		
Paragraph 1.1	Removed reference to EU	
Paragraph 2.6	Removed reference to Project Review Board and replaced with ELT Procurement Board made up of members of the Executive Leadership Team	
Paragraph 5.3	Removed reference to European specifications and standards	
Paragraph 6.1	Removed "and for those either over £2,500k and/or longer than five years can be seen in the flow charts below"	
Paragraph 6.2	Removed references to EU procurement process	
P22	Flowchart for procurement process for contracts valued between £250k - £2.5m which previously required Audit & Risk Committee approval deleted	
P23	Flowchart showing process for approval of contracts valued in excess of £2.5m which previously required Board approval removed and replaced with a new flow chart: Project Authorisation Document (PAD) Process	
P24Table	Amended Title of table to remove reference to EU Deleted first column headed EU classification	
P24 Table	Spot purchases up to £10k and contracts valued at £10,001 - £50,000 under approval route (individuals) and contracts signed by the following have been added: Executive Director of Assets & Development Executive Director of Customer Service Transformation & Business Support Executive Director of Housing & Communities	
P25 Table	Under contracts valued between £250,001 - £499,999 The procurement approval route of Project Review Board and named Executive Directors (job titles) has been replaced with ELT Procurement Board made up of the members of the Executive Leadership Team	
P25 Table	Table headed EU Procurement Process has been deleted	

P26 Table	Table headed Exception to Rules of Contract is retitled Exception to Rules for Contract	
P26 Table	First column headed EU classification deleted	
P27 Table	Exceptions to the Rules of Contract - £250,001 - £499,999 – Approval route delete reference to Project Review Board and replace with ELT Procurement Board made up of members of the Executive Leadership Team	
P27 Table	Exceptions to the Rules of Contract - £500,000 - £2,500,000 – Recommended by delete reference to Project Review Board and replace with ELT Procurement Board	
P27 Table	Exceptions to the Rules of Contract - £500,000 - £2,500,000 – Approval route delete reference to Audit & Risk Committee	
Paragraph 7.3	Delete reference to EU procurement	
Paragraph 8.1	Delete references to EU procurement directives	
Paragraph 8.4	Delete references to EU procurement	
Paragraph 8.5	Delete references to EU procurement	
Paragraph 9.1	Delete references to EU procurement	
Paragraph 9.2	Delete references to EU procurement	
Paragraph 10.2 Table	Delete references to EU procurement	
Paragraph 10.5	Delete references to Project Review Board and replace with ELT Procurement Board	

Appendix B Changes made to Financial Regulations 2021

Page	Paragraph	Bullet point	Change
36	1.5		"Executive Management Team" to "Executive Leadership Team"
36	1.5		"EMT" to "ELT"
36	1.6		"Executive Management Team" to "Executive Leadership Team"
36	1.7		"EMT" to "ELT"
37	1.9		"EMT" to "ELT"
37	1.10		"EMT" to "ELT"
37	2.1		"Executive Management Team" to "Executive Leadership Team"
38	2.6		"EMT" to "ELT"
38	2.7		"EMT" to "ELT"
38	2.9		"EMT" to "ELT"
39	4.1	1	"departments" to "directorates"
39	4.2		"EMT" to "ELT"
39	4.3		"EMT" to "ELT"
39	4.4		"EMT" to "ELT"
39	4.5		"EMT" to "ELT"
39-40	4.6		Added "which have significantly changed from 2020/21"
40	4.6		Replaced old virement table 1 with table 2 (see below)
40	4.6		Added "Transfers between Capital and Revenue are NOT allowed. Transfers to/from Ring-fenced activities must be approved by the Board. In circumstances where the Budget Manager is also the Head of Service or Executive Director approval would be required from the level above"
40	4.7		First bullet point referring to Ipswich House removed
40	4.7		Bullet point added for Service Level agreements
40	5.1		"EMT" to "ELT"
41	6.8		"Finance team" to "Financial Operations team"
41	7.3		"Finance team" to "Financial Operations team"
42	7.6	1	"EMT" to "ELT"
43	7.9		"Description" to "Job logging Value"
43	7.9		"Contract" to "Job Variation Value"
44	7.9		Added "Level 6 – Admin / Scheduler ADAPWRK" with logging value £1,000 and variation value £2,500
44	8.2		"EMT" to "ELT"
44	8.2		"Finance team" to "Financial Operations team"
45	9.7		"Finance team" to "Financial Operations team"
46	13.1		Added "Trustee Indemnity cover from a suitable supplier with reasonable terms where this is possible in the general insurance market and"

Paragraph 4.6 replaced Table 1 with Table 2.

Table 1.

	Virement To				
	Capital - Pay	Capital - Non-Pay	Revenue - Pay	Revenue - Non-Pay	Revenue - Ring-Fenced Activities
Virement From	Capital - Pay	Cabinet Approval – as part of mid-year review		Not Allowed	
	Capital - Non-Pay				
	Revenue - Pay	Board & Cabinet Approval as part of mid-year review		< £10k Head of Service £10k - £100k EMT >£100k Ratification by Board	
	Revenue - Non-Pay			< £10k Head of Service £10k - £100k EMT >£100k Ratification by Board	<£10k Budget Manager £10k - £20k Head of Service & CFO £20k - £100k EMT >£100k Ratification by Board
	Revenue Ring-Fenced Activities	Not Allowed		Board Approval	

Table 2.

	Within a cost centre	Within a Directorate	Between Directorates
Up to £50k	Budget Manager	Head of Service	Executive Directors
£50k - £100k	Head of Service	Executive Director	ELT
Over £100k	ELT & Ratified by Board	ELT & Ratified by Board	ELT & Ratified by Board

Housing Operations Committee

Terms of Reference

1 Purpose

- 1.1 The purpose of the Housing Operations Committee is to monitor and review performance on all aspects of housing operations on behalf of the Board. It will report significant variations from approved plans, to the Board. The Board may ask the Committee to monitor or review aspects of SCH's work.

2 Membership

- 2.1 The Board will appoint the Chair of the Committee, after taking advice from the Chair of the SCH Board.
- 2.2 The Committee shall comprise at least four Board members. Members of the Committee shall be appointed by the Board, in consultation with the Chairman of the Housing Operations Committee.
- 2.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to be Board members.
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, members of the Executive Management Team and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.5 In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these Terms of Reference to be appointed to that position by the Board.
- 2.6 The Chairman of the Board shall not be the Chairman of the Committee.

3 Secretary

- 3.1 The Company Secretary or his or her nominee shall act as secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4 Quorum

- 4.1 The quorum necessary for the transaction of business shall be **three**, including one independent Board member.

5 Meetings

- 5.1 The Committee shall meet at least twice a year and otherwise as required.

6 Notice of Meeting

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other members of the Board, no later than five working days before the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
- 6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7 Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be agreed with the Committee Chairman and then circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

8 Annual General Meeting

- 8.1 The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

9 Duties

- 9.1 The Committee will scrutinise and recommend for approval to the Board policies and strategies relating to Housing Operations and Asset Management services.
- 9.2 Each proposed plan or strategy will be presented to the Committee in time for revisions to be made ahead of the relevant Board meeting. Where the

Committee has required significant changes, these will be notified to the Board.

- 9.3 The Committee will also review key principles and policies relating to SCH's responsibilities as a landlord; and any other issues, practices and budgets that are considered to be of a strategic nature relating to landlord activities. Where necessary it will make a recommendation to the Board.
- 9.4 The Committee will monitor and review performance on all aspects of housing operations.
- 9.5 The Committee will monitor and review feedback from customers and other stakeholders on housing service delivery.
- 9.6 **The Committee will have oversight of and receive reports arising from the work of the SCHape Tenants Panel and customer engagement activities generally.**
- 9.7 The Committee will receive regular monitoring reports against the annual Delivery Plan. It will report to the Board any significant variations.
- 9.8 The Committee will receive reports on progress against the Asset Management Strategy. This will include actions by SCH to address Climate Change. It will report to the Board any significant variations.
- 9.9 The Committee will consider any matters, falling within its general remit, referred to it by the Board.

10 Reporting Responsibilities

- 10.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall ensure that provisions regarding disclosure of information are met and produce a report of the remuneration policy and practices to be included in the annual report and presented at the AGM.
- 10.4 Through the Chairman of the Board the decisions of the Committee should be communicated appropriately to SMBC.

11 Other Matters

- 11.1 The Committee shall:

- 11.2 Have access to sufficient resources in order to carry out its duties including access to the Company Secretariat for assistance as required.
- 11.3 Be provided with appropriate and timely training both in the form of an induction programme for new members and on an on-going basis for all members.
- 11.4 Give due consideration to laws, regulations and any published guidelines.
- 11.5 Arrange for periodic reviews of its own performance and, at least annually review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12 Authority

- 12.1 The Committee is authorised by the Board to obtain, at SCH's expense outside legal or other professional advice on any other matters within its Terms of Reference.

Acknowledgement: These Terms of Reference are based on a model provided by the Governance Institute (ICSA).

Human Resources, Equalities and Remuneration Committee

Terms of Reference

1 Purpose

- 1.1 The purpose of the Human Resources and Remuneration Committee is to review and recommend to the Board key strategies and policies impacting on staff including significant changes to pay and terms and conditions of service.
- 1.2 The Committee will also provide a formal and transparent procedure for developing policy on remuneration, taking into account the policies of SMBC and for providing advice to the Board on fixing the remuneration package of the Chief Executive. The Board may then delegate the implementation of the policy to the Committee.
- 1.3 The Committee will have strategic oversight of Equalities, Diversity and Inclusion.

2 Membership

- 2.1 The Board will appoint the Chair of the Committee, after taking advice from the Chair of the SCH Board.
- 2.2 The Committee shall comprise at least four members of the Board (this may include the Chair). ~~two of whom shall be independent Board members.~~ Members of the Committee shall be appointed by the Board, in consultation with the Chair of the Human Resources and Remuneration Committee.
- 2.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to be Board members.
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.5 In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these Terms of Reference to be appointed to that position by the Board.
- 2.6 The Chairman of the Board shall not be the Chairman of the Committee.

3 Secretary

- 3.1 The Company Secretary or his or her nominee shall act as secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4 Quorum

- 4.1 The quorum necessary for the transaction of business shall be three.

5 Meetings

- 5.1 The Committee shall meet at least twice a year and otherwise as required.

6 Notice of Meeting

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other members of the Board, no later than five working days before the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
- 6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7 Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be agreed with the Committee Chairman and then circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

8 Annual General Meeting

- 8.1 The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

9 Duties

- 9.1 The Committee will recommend to the Board a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration package for the Chief Executive.

- 9.2 The Committee will consider staff salaries and advise the Board on any annual pay award following a review, and related matters in conjunction with pay advice provided by SMBC.
- 9.3 The Committee will advise the Board on salaries and remuneration packages for the Chief Executive. It will do this by taking into account:
- The report of the Chair of the Board on the annual appraisal of the Chief Executive
 - Its own review of the market for similar posts. It should commission an independent review of the market at least every two years.
- 9.4 The Committee will also receive the objectives, set in discussion with the Chair, for the Chief Executive for the year ahead.
- 9.5 The Committee will monitor the Equality and Diversity Policy and action plans.
- 9.6 The Committee will approve Human Resources policies and undertake regular reviews of policies and procedures.
- 9.7 The Committee will review and approve significant staffing restructures as required. In the event of a redundancy situation or agreement to allow a member of staff to access the pension fund early resulting in a payment which exceeds one year's salary the Committee will be responsible for approving the payment in advance of the agreement being finalised and will report this to full Board.
- 9.8 The Committee will receive regular reports from the Lead Human Resources Advisor on key Human Resources performance indicators.
- 9.9 The Committee will advise and approve the criteria that are used for Board Member and Chair appraisal.
- 9.10 The Committee Chair will be responsible for the annual appraisal of the Chair of the Board. They may delegate this to the Deputy Chair of the Board or if necessary another member of the Board.

10 Reporting Responsibilities

- 10.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 10.3 The Committee shall ensure that provisions regarding disclosure of information are met and produce a report of the remuneration policy and practices to be included in the annual report and presented at the AGM.
- 10.4 Through the Chairman of the Board the decisions of the Committee should be communicated appropriately to SMBC.

11 Other matters

11.1 The Committee shall:

- Have access to sufficient resources in order to carry out its duties including access to the Company Secretariat for assistance as required;
- Be provided with appropriate and timely training both in the form of an induction programme for new members and on an on-going basis for all members;
- Give due consideration to laws, regulations and any published guidelines;
- Arrange for periodic reviews of its own performance and, at least annually review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12 Authority

12.1 The Committee is authorised by the Board to obtain, at SCH's expense outside legal or other professional advice on any other matters within its Terms of Reference.

Acknowledgement: These Terms of Reference are based on a model provided the Governance Institute (ICSA).

Audit and Risk Committee

Terms of Reference

1 Purpose

- 1.1 The purpose of the Audit and Risk Committee is to review on behalf of the Board and to make recommendations to the Board about: the appointment and work of the external and internal Auditors, the internal controls and risk management systems, the Risk Management Strategy and matters relating to compliance and fraud.

2 Membership

- 2.1 The Board will appoint the Chair of the Committee, after taking advice from the Chair of the SCH Board.
- 2.2 The Committee shall comprise at least three Board members. The Chairman of the Board may not serve on the Committee. Members of the Committee shall be appointed by the Board, in consultation with the Chair of the Audit and Risk Committee.
- 2.3 Ideally, at least two Members of the Committee shall have recent and relevant financial experience and competence in accounting and auditing.
- 2.4 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods.
- 2.5 The Chief Executive, the Chief Financial Officer, Head of Internal Audit and External Lead Partner will be invited to attend the meetings of the Committee on a regular basis and other non-members may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.6 In the absence of the Committee Chairman and/or an appointed deputy, the remaining Members present shall elect one of themselves to chair the meeting.

3 Secretary

- 3.1 The Company Secretary or his or her nominee shall act as secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4 Quorum

- 4.1 The quorum necessary for the transaction of business shall be **three**, including one independent Board Member.

5 Meetings

- 5.1 The Committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
- 5.2 Outside of formal meetings the Committee Chairman, and to a lesser extent the other Committee Members, will maintain a dialogue with key individuals involved in SCH's governance, including the Board Chairman, the Chief Executive, the Chief Financial Officer, the External Audit Lead Partner and the Head of Internal Audit.

6 Notice of Meeting

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its Members or at the request of the external Audit Lead Partner or Head of Internal Audit if they consider it necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Member of the Committee, any other person required to attend and all other Members of the Board, no later than five working days before the meeting. Supporting papers shall be sent to Committee Members and to other attendees, as appropriate, at the same time.
- 6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7 Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be agreed with the Committee Chairman and then circulated promptly to all Members of the Committee. Once approved, minutes should be circulated to all other Members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

8 Annual General Meeting

- 8.1 The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

9 Duties

- 9.1 Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess SCH's performance, business model and strategy and whether it informs the Board's statement in the annual report on these matters that is required under the Code.

10 Internal Controls and Risk Management Systems

10.1 The Committee shall:

- keep under review SCH's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems; and
- review and approve the statements to be included in the annual report concerning internal control, risk management and the viability statement.

11 Compliance, Whistleblowing and Fraud

11.1 The Committee shall:

- review the adequacy and security of SCH's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- review SCH's procedures for detecting fraud;
- review SCH's systems and controls for the prevention of bribery and receive reports on non-compliance; and
- ~~review regular reports from the Money Laundering Reporting Officer and the adequacy and effectiveness of SCH's anti-money laundering systems and controls.~~

12 Internal Audit

It should be noted that the Council has chosen to retain responsibility for Internal Audit within the Authority to enable them to satisfy and discharge their governance responsibilities (Section 151 duties).

12.1 The Committee shall:

- review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation;
- review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out;
- ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- ensure the internal auditor has direct access to the Board Chairman and to the Committee Chairman, providing independence from the executive and accountability to the Committee;
- carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment;
- meet with the Head of Internal Audit without the presence of management to discuss the effectiveness of the function;
- review and assess the annual internal audit work plan; receive a report on the results of the internal auditor's work;
- determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business;
- review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;
- monitor and assess the role and effectiveness of the internal audit function in the overall context of SCH's risk management system and the work of compliance, finance and the external auditor; and
- consider whether an independent, third party review of processes is appropriate.

13 External audit

13.1 The Committee shall:

- consider and make recommendations to the Board, to be put to shareholder for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of SCH's external auditor;
- develop and oversee the selection procedure for the appointment of the audit firm, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;
- if an external auditor resigns, investigate the issues leading to this and decide whether any action is required;
- oversee the relationship with the external auditor.

13.2 With regard to the External Auditors the Committee shall:

- approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted; and
- approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- assess annually the external auditor's independence and objectivity taking into account relevant UK law, regulation, the Ethical Standard and other professional requirements and the group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats including the provision of any non-audit services;
- satisfy itself that there are no relationships between the auditor and SCH (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- agree with the Board a policy on the employment of former employees of SCH's auditor, taking into account the Ethical Standard and legal requirements, and monitor the application of this policy;
- monitor the auditor's processes for maintaining independence, its compliance with relevant UK law, regulation, other professional requirements and the Ethical Standard, including the guidance on the rotation of audit partner and staff;
- monitor the level of fees paid by SCH to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the

context of relevant legal, professional and regulatory requirements, guidance and the Ethical Standard;

- assess annually the qualifications, expertise and resources, and independence of the external auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
- seek to ensure coordination of the external audit with the activities of the internal audit function;
- evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee; develop and recommend to the Board SCH's formal policy on the provision of non-audit services by the auditor, including approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include consideration of the threats to the independence and objectivity of the external auditor and any safeguards in place.

13.3 With regard to the External Auditors also supplying non-audit services the Committee will:

- determine whether the external audit firm is the most suitable supplier of the non-audit service;
- determine the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
- determine the criteria governing compensation;
- meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit;
- discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - a discussion of any major issues which arose during the audit;
 - the auditor's explanation of how the risks to audit quality were addressed;

- key accounting and audit judgements;
- the auditor's view of their interactions with senior management; and
- levels of errors identified during the audit;
- review any representation letter(s) requested by the external auditor before they are signed by management;
- review the management letter and management's response to the auditor's findings and recommendations, and review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

14 Risk Management

14.1 The Committee shall:

- consult with and advise the Board on SCH's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment;
- oversee and advise the Board on the current risk exposures of SCH and future risk strategy;
- keep under review SCH's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
- review and advise the Board on the strategic risks identified by the executive;
- review regularly and approve the parameters used in these measures and the methodology adopted; and
- review SCH's capability to identify and manage new risk types;
- advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focussing in particular on risk aspects and implications for the risk appetite and tolerance of SCH, and taking independent external advice where appropriate and available;
- review reports on any material breaches of risk limits and the adequacy of any proposed action
- consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and is free from management and other restrictions.

15 Procurement

~~15.1 The Committee will oversee and approve significant procurement activity including setting the price; quality ratios for contracts.~~

~~15.2 The Committee will approve procurement contracts up to the value of £2.5m (subject to SMBC approval).~~

15.1 The Committee will approve Exceptions to the Rules for Contract for contracts valued between £500,000 - £2.5m.

16 Reporting Responsibilities

16.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. This report will include:

- The significant issues that it considered in relation to the financial statements and how these were addressed;
- Its assessment of the effectiveness of the external audit process, the approach taken to the appointment, or re-appointment of the external auditor, and its plans for future retendering;
- Any other issues on which the Board has asked for its opinion.

16.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

16.3 The Committee shall compile a report on its activities to be included in SCH's annual report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process, the significant issues that the Committee has considered in relation to the financial statements and how these issues were addressed.

16.4 The Committee will exercise judgement in determining which issues are significant and should be reported but should include at least those matters relating to the Board's assessment of whether SCH is a going concern.

Adequacy of proposed action;

17 Other Matters

17.1 The Committee shall:

- Have access to sufficient resources in order to carry out its duties including access to the Company Secretariat for assistance as required;

- Be provided with appropriate and timely training both in the form of an induction programme for new Members and on an on-going basis for all Members;
- Give due consideration to laws, regulations and any published guidelines;
- Be responsible for coordination of internal and external auditors;
- Oversee any investigation of activities which are within its terms of reference;
- Work and liaise as necessary with all other Board Committees, taking particular account of the impact of risk management and internal controls being delegated to different Committees;
- Arrange for periodic reviews of its own performance and, at least annually review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

18 Authority

18.1 The Committee is authorised by the Board to:

- Seek any information it requires from any employee of SCH in order to perform its duties;
- Obtain at SCH's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;
- Call any employee to be questioned at a meeting of the Committee as and when required;
- Have the right to publish in the annual report details of any issues that cannot be resolved between the Committee and the Board.

Acknowledgement: These terms of reference are based on a model provided by the Governance Institute (ICSA).

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Annual Governance Review 2021

1. Member Attendance at Meetings from April 2020 – March 2021

	Full Board	Audit & Risk	Housing Operations	Human Resources & Remuneration	Away Day
Overall %	96	90	100	93	89
Tenant %	95	87	100	83	67
Council %	95	75	100	100	100
Independent %	100	87	100	100	100
No. achieving 100%	9 (includes 2 members who were only on Board for 1 meeting during reporting period)	3	5	4	8
No. in breach of Attendance rules	None	N/A	N/A	N/A	N/A

Board Member	Full Board Percentage attendance (red = 2019)	Audit & Risk Percentage attendance	Housing Operations Percentage Attendance	Human Resources & Remuneration Percentage attendance	Away Day Percentage attendance	All meetings
Richard Hyde	100%	N/A	N/A	100%	100%	100%
David Bell	100%	N/A	100%	N/A	100%	100%
Katy Blunt	100% (one meeting)	N/A	100% (one meeting)	N/A	N/A	100%

(resigned 27 July 2020)						
Ben Burton	100%	100%	N/A	N/A	100%	100%
Jenny Fletcher	100%	100%	N/A	100%	100%	100%
April Halpin (appointed 29 March 2021)	100% (one meeting)	N/A	N/A	N/A	N/A	100%
Diane Howell	83%	75%	N/A	N/A	100%	82%
Nigel Page	100%	100%	N/A	100%	100%	100%
Patricia Smith	100%	75%	100%	N/A	DNA	87%
Louise Tubbs	83%	N/A	100%	66%	100%	86%
Chris Williams	100%	N/A	100%	100%	100%	100%

Full Board – overall attendance has improved with 9 members achieving 100% attendance (although this includes two members who were only eligible to attend for one meeting in the year). There was 100% attendance at four out of the six meetings held during the year and only two members missed a full Board meeting in the year (one apology in September 2020 and one in March 2021). All meetings during the year were held virtually, and this seems to have had a positive impact on attendance levels across all meetings.

Audit & Risk Committee – attendance has increased from 85% to 90%, with 3 members achieving 100% attendance.

Housing Operations Committee – the attendance was 100% for the year and three Board members attended as observers during the year (Richard Hyde x 4 meetings, Jenny Fletcher x 1 and April Halpin x 1).

Human Resources & Remuneration Committee - attendance remained stable at 93% with only one apology during the year and 4 out of 5 members achieving 100% attendance.

Away Day – there was one Away Day in February 2021 with 8 out of 9 members attending.

2. Declarations of Interest

2.1 The Annual Declarations of Interest for the year ended 31 March 2021 have been completed by all members. No declarations of hospitality were received by the Company Secretary during 2020/21.

3. Expenses paid to members

3.1 During 2020/21, expenses claimed by members or expended on behalf of members by SCH totalled £304.61 compared to £2,571.20 in the previous year.

	£
Loss of earnings	45.13
Broadband	240.00
Mileage, taxis, public transport and parking	7.70
Other (telephone charge for access to meeting)	11.78
Total	304.61

3.2 In the last year only two members claimed expenses, with the largest individual claim amounting to £247.70 for the year.

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**SOLIHULL COMMUNITY HOUSING
BOARD MEETING: 7 JUNE 2021**

REPORT OF THE CHIEF EXECUTIVE

Redwood House - Petition

1. Purpose of Report

- 1.1 To update Board on details relating to a petition received from residents of Redwood House, objecting to the Zero Tolerance Policy in relation to storage of items in the communal areas.

2. Recommendation – Item for Noting

- 2.1 The Board is recommended to
- (i) NOTE the actions taken in response to the petition

3. Background

- 3.1 All high-rise landlords have been required to readdress their safety standards following the tragic Grenfell Tower fire in June 2017. In the event of a fire and during low visibility, items in communal areas such as tables and chairs can become a trip hazard for fire fighters and residents. Items in communal areas can also accelerate the spread of fire.
- 3.2 Following lengthy discussions with West Midlands Fire Service, SCH's trained fire safety team, and SMBC's Health and Safety Team, a decision was reached to introduce a Zero Tolerance Policy which included a sterile communal environment. This decision was also taken following discussions with a number of engaged customers, who agreed that this decision puts safety first and is necessary to keep all our high-rise customers safe and well at all times.
- 3.3 Due to Covid-19, the usual extensive consultation that would have taken place with residents was not possible. Pre-Covid-19, drop in sessions and residents' meetings would have been held with all residents. Therefore, letters were hand delivered to residents in Redwood House on 6 April 2021, requesting that any items stored outside front doors or in communal areas be brought inside their flats by 26 April 2021. Residents were further informed that any items remaining in communal areas after this date would be removed. The letters were hand delivered by SCH's Estate Assistants and

they also knocked residents' doors to provide a verbal explanation to those who were at home.

- 3.4 On 12 April 2021, a petition signed by 42 residents in Redwood House was received at SCH offices. The petition was opposing the intended actions to remove items from the communal areas. Residents stated that they felt keeping communal areas clear would not render them any safer than they are at the present time, and requested a postponement of the action until such time that constructive consultation could take place between landlord and residents.
- 3.5 On 16 April 2021, the CCTV control room undertook an exercise to contact residents individually to obtain some initial feedback, and were able to contact 13 residents. The feedback was mixed in response:
- some were happy to remove items but did not fully understand the reasons
 - some were happy to remove their items and did not want this delayed
 - some did not want to remove their items
 - some were happy to remove some items but not others, ie pictures
- 3.6 On 23 April 2021, a leaflet was hand delivered to all residents in Redwood House to confirm that there would be a postponement in removing items from communal areas pending further consultation on 26 April 2021.
- 3.7 On 26 April 2021, a joint consultation exercise took place on site at Redwood House between West Midlands Fire Service, members of SCH's Asset Management Team, Customer Engagement Team, Neighbourhood Services Team and Estate Assistants. The on-site team visited residents and spoke to everybody individually to address their concerns, answer questions, and provide a clear explanation regarding high-rise safety and the importance of the Zero Tolerance Policy.
- 3.8 Following on-site consultation, a new date was set for removal of items stored in communal areas in Redwood House, which was 24 May 2021. Residents were informed in writing via hand delivered letters distributed on 14 May 2021. A Frequently Asked Questions Sheet was also created and circulated with the letter to address residents' questions that were raised on the day.
- 3.9 The majority of items have now been removed from communal areas of Redwood House. Some areas of clearance are impacted by the installation of the sprinkler system, and work will continue to ensure any remaining items are cleared at the earliest opportunity.

4. Financial implications

- 4.1 There are no financial implications identified.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications. The Zero Tolerance Policy applies to all communal areas.

6. Risk Management Implications

- 6.1 There will be no risk management implications once all items are removed from the communal areas. This will be further managed via Estate Assistants' future scheduled site visits.

7. Tenant Involvement/Consultation

- 7.1 Customers were involved in the decision making around the introduction of the Zero Tolerance Policy and concluded that this decision put safety first and was necessary to keep our high-rise residents safe and well at all times. Further consultation with affected residents in Redwood House took place on-site on 26 April 2021.

8. Future Strategic Vision

- 8.1 SCH have a strategic objective within their Delivery Plan to ensure our homes are safe, which includes embedding a culture of safer homes across SCH staff and customers. The Social Housing White Paper released in 2020 placed an emphasis on resident safety and for landlords to ensure buildings were safe.

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SOLIHULL COMMUNITY HOUSING

AUDIT & RISK COMMITTEE

Chair's Report from the Meeting held on 17 May 2021

Recommendation for Full Board:

The Board is asked to:–

- (i) **Approve** the phased increase in charges over a three year period for Biomass heating and hot water
- (ii) **Note** the actions taken by the Committee

Board Members present at the meeting: Chris Williams (Chair); David Bell; April Halpin, Louise Tubbs

In Attendance: Richard Hyde

Officers present: Fiona Hughes, Surjit Balu, Mark Pinnell, Kevin Bennett, Samantha Gilbert, Mark Pinnell, Mary Moroney, Barbara Griffiths, Ed Roper and Nicholas Doyle (Adecoe)

Summary of Committee Meeting:

1. Energy and Sustainability Progress Report and Presentation on Stock Carbon Baseline Assessment

Nicholas Doyle Director of Adecoe gave a presentation on the findings of his company in relation to the baseline assessment of the SCH stock in relation to energy efficiency. We have been working with specialist consultants, Adecoe to complete a carbon baseline assessment of our stock which is essential for the future investment strategy for achieving net zero by 2041. The findings from this baseline assessment will form an integral part of the new SCH Asset Management Strategy. We noted that SCH has a very diverse range of property construction types which adds to the complexity of the decisions on future investments to improve energy efficiency and sustainability.

The Committee was supportive and pleased with the work with Adecoe and looks forward to some robust action to meet key milestones to reduce the carbon use within our housing.

2. Biomass Heating Charges

At the full Board meeting on 29 March 2021, the financial monitoring report included a decision on revising the charges for providing Biomass heating and hot water to recover costs incurred in delivering the service. Board deferred the decision pending a more detailed review of the costs and rationale for the proposed increases by Housing Operations Committee. After reviewing the information and taking into account that it would be unfair to expect tenants not receiving the service to subsidise heating of those using Biomass, and indeed because those on more expensive heating systems are obliged to pay their full heating cost, we agreed to accept the proposal to increase the charges over a three year period as set out in the report.

3. Resident Engagement Framework

We received a progress report on the Engagement Framework and were pleased to note that the SCHape Panel have now had a couple of meetings and are working with TPAS on a training plan. The Kingshurst engagement strategy is making good progress and we currently have 346 residents on the Virtual Improvement Panel working on a good range of activities. The chair of the Board plans to attend a future SCHape Panel meeting to hear directly from residents and we would encourage all Board members to take up similar opportunities to interact with our tenants and leaseholders. Kevin and Becci will make available some options for Board members to attend other engagement activities such as estate walkabouts and to do some virtual void inspections.

4. SCH Performance Quarter 4 2020/21

We noted that the report was broadly positive with a number of measures having improved in the last quarter of the year. In particular the performance of rent collection given the previous concerns earlier in the year about the impact of Covid-19. We noted that HO5 (percentage of homeless approaches where prevention or relief achieved) was also much improved.

Chris Williams
Chair of Housing Operations Committee
20 May 2021

Agenda Item 16

Date produced – 30 March 2021

Full Board Forward Plan

Monday 7 June 2021			
		Annual Report on Risk Management	Fiona Hughes
		Annual Governance Review including Standing Orders – to include Committee Membership	Mary Moroney
		Self-Assessment Dashboard	Kevin Bennett
		Information Technology Annual Report /Digital Strategy??	Paul Langham
		Chair's Report from Housing Operations Committee Meeting held on 17 May 2021 (include outcome of review of Biomass Charges)	Chris Williams
		Quarter 4 2020/21 Performance Exception Report	Kevin Bennett
		Quarter 4 2020/21 Health and Safety Report	Mark Wills
		Quarter 4 2020/21 Financial Monitoring (include savings achieved and cost pressures)	Sam Gilbert
		Building Safety	Mark Pinnell
Monday 21 June 2021 (meeting immediately after Audit & Risk Committee – single item agenda)			
		Chair's Report (including Annual Accounts) from Audit and Risk Committee Meeting held on 21 June 2021	Nigel Page
Monday 27 September 2021 – Includes AGM			
		Chair's Report from Human Resources and Remuneration Committee Meeting held on 12 July 2021	Jenny Fletcher
		Chair's Report from Housing Operations Committee Meeting held on 13 September 2021	Chris Williams
		Quarter 1 2021/22 Performance Exception Report	Kevin Bennett
		Quarter 1 2021/22 Health and Safety Report	Mark Wills
		Quarter 1 2021/22 Financial Monitoring	Sam Gilbert
		Energy and Environmental Strategy	Mark Pinnell
		Budget Report	Sam Gilbert
Monday 29 November 2021			
		Chair's Report from Housing Operations Committee Meeting held on 15 November 2021	Chris Williams
		Chair's Report from Human Resources and Remuneration Committee Meeting held on 18 October 2021	Jenny Fletcher
		Chair's Report from Audit and Risk Committee Meeting held on 11 October 2021	Nigel Page
		Quarter 2 2021/22 Performance Exception Report	Kevin Bennett
		Quarter 2 2021/22 Health and Safety Report	Mark Wills
		Quarter 2 2021/22 Financial Monitoring	Sam Gilbert
		Draft Asset Management Strategy??? To be confirmed	Mark Pinnell

	Budget	Sam Gilbert
	Draft Delivery Plan /KPI's	Kevin Bennett

Regular Items (every meeting):

- Minutes of Previous Meeting
- Chairs' reports from Committee Meetings

Quarterly Reports:

- Performance (Exception Reporting)
- Health & Safety Report (including data on accidents)