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Solihull Community Housing
Shaping our neighbourhoods

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 4 September 2023 at 6.00 pm
Endeavour House - Meriden Drive, Kingshust

AGENDA

Ref	Item	Purpose	Lead	Report Type	Report Classification
1	Chair's Welcome and Introduction				
2	Apologies for Absence				
3	Declarations of Interest				
4	Minutes of the meeting held on 22 May 2023				
5	Action Log				
6	Chief Executive Update	Fiona Hughes – Chief Executive			
7	Governance Review	Martyn Sargeant – Executive Director of Customer Service, Transformation and Business Support			
8	Health and Safety Report: April - June 2023 (Quarter 1)	Mark Wills - Health, Safety and Risk Manager			

9	Annual Risk Management Report	Mark Wills – Health, Safety and Risk Manager			
10	Statutory Accounts 2022/23	Sam Gilbert – Chief Financial Officer			
11	Financial Outturn 2022/23	Sam Gilbert – Chief Financial Officer			
12	Financial Monitoring and Forecast - June 2023 (Quarter 1)	Sam Gilbert – Chief Financial Officer			
13	Budget Strategy Review 2024/25 to 2026/27	Sam Gilbert – Chief Financial Officer			
14	Chair's Report from Audit and Risk Committee Meeting - 3 July 2023	Mark Thrasher – Chair of Audit and Risk Committee			
15	Chair's Report from Building Safety Task & Finish Group Meeting - 10 July 2023	Richard Hyde – Chair of Board			
16	Regulatory Compliance Update	Martyn Sargeant – Executive Director of Customer Service, Transformation and Business Support			
17	Quarter 1 Performance Report 2023/24	Becci Youlden – Head of Customer Experience			
18	Annual Review against Code of Governance for Complaints	Becci Youlden – Head of Customer Experience			
19	Board/Committee Dates for 2023/24	Martyn Sargeant - Executive Director of Customer Service, Transformation			

		and Business Support			
20	Forward Plan	Fiona Hughes - Chief Executive			
21	Any Other Business	All			
22	Review of Meeting	All			
1					
2					

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SCH: BOARD MEETING - 22 May 2023

MINUTES

Present: Richard Hyde (Chair), Bernie Donnelly, April Halpin, Phil Hardy, Nigel Page, Dave Pinwell, Gail Sleigh, Louise Tubbs

Officers: Fiona Hughes - Chief Executive,
Mary Morrissey - Director for Economy & Infrastructure,
Karen Cranley - Finance Manager
Carol Trappett - Head of Housing and Neighbourhoods
Darren Baggs - Executive Director of Operations,
Becci Youlden - Head of Customer Experience,
Mike Brymer - Head of Asset Management and Development,
Mark Wills - Health, Safety & Risk Manager,
Martyn Sargeant - Executive Director of Customer Service, Transformation and Business Support,
Sarah Brookes - Business Support Manager,
Charlotte Kings (Item 8 only)

1. CHAIR'S WELCOME AND INTRODUCTION

Richard Hyde, Chair, welcomed Darren Baggs, Executive Director of Operations, to his first Board meeting with SCH.

The Board noted the excellent work undertaken by SCH in response to the British nationals evacuated from Sudan. Thanks and appreciation were recorded and Richard asked for this to be shared with SCH colleagues.

Richard noted that Mark Parker is the Council's new Portfolio Lead for Housing, including the HRA.

2. APOLOGIES FOR ABSENCE

Apologies were received from Mark Thrasher, Sam Gilbert and Alison Clark-Williams. Karen Cranley attended as a representative for Sam.

3. DECLARATIONS OF INTEREST

There were no new declarations of interest.

4. MINUTES OF THE MEETING HELD ON 20 FEBRUARY 2023

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

5. ACTION LOG

The action log was reviewed and approved.

6. CHIEF EXECUTIVE'S UPDATE

Richard Hyde acknowledged the great work involved with the staff conference and was delighted that SCH have been shortlisted for a number of prestigious housing awards (Housing Heroes and Fire Safety Project).

Fiona Hughes, Chief Executive, presented the Chief Executives update report. She particularly noted:

- The new Portfolio lead for Housing, Mark Parker, will be completing an induction process with SCH and this will cover several briefings on different aspects of housing – both the SCH portfolio and the more strategic aspects through SMBC. She confirmed that we look forward to working with Mark.
- The financial challenges has been a key focus in recent months and item 10 on the agenda sets out the challenges and recommended approach.
- Following the huge success of the staff conference we are now looking ahead to build on our organisational/development challenges. A newly appointed Organisational Development and Training Manager will focus on this as a key work stream.
- Kinghsurst Village Centre has been challenging with the escalating inflation in the construction sector. Consequently, the wider scheme has been rephased and phase 1 includes the construction of 25 social rented dwellings.
- Phase 1 of the structural surveys project is underway; the work programme will present us with a cost pressure however this will be robustly managed to minimise costs and Board will be updated accordingly.

Carol Trappett, Head of Housing and Neighbourhoods, confirmed that the previous estimate of 40 Sudanese households requiring emergency accommodation has reduced to seven households.

Martyn Sargeant, Executive Director of Customer Service, Transformation and Business Support, asked for Board to approve the appointment of himself as the Company Secretary for SCH.

DECISION

(i) NOTED: the content of the report.
(ii) APPROVED: the role of the Company Secretary to be undertaken by the Executive Director of Customer Service, Transformation and Business Support.

7. PREPARATIONS FOR REGULATORY COMPLIANCE

Martyn Sargeant provided Board with an update on the work underway to ensure SCH is ‘regulation ready’ following the changes being introduced to the regulation regime.

To ensure assurance arrangements are in place across the council and SCH the Strategic Housing Board (SHB), chaired by Mary Morrissey, will have oversight of preparedness for the introduction of the new regulatory regime. It has been agreed that there will be a sub-group of the SHB to develop detailed plans and this will be led by Fiona Hughes. An internal audit will be undertaken, in due course, to provide assurance that arrangements are both robust and appropriate.

Phil Hardy confirmed that the size and methodology of the current Acuity survey will need to be reviewed and asked where this will be monitored. It was agreed this will be picked up in the assurance framework and reviewed in more detail at Board meetings.

ACTION: review size and methodology of the current Acuity survey taking into consideration the Housemark review of TSMs (Martyn Sargeant/Becci Youlden).

DECISION

(i) NOTED: the current work to ensure SCH is ready for regulatory.

8. REVIEW OF STANDING ORDERS PERTAINING TO FINANCE AND PROCUREMENT REGULATIONS

Karen Cranley, Finance Manager, and Charlotte Kings, Head of Procurement, presented the updated financial regulations and rules for contract on behalf of Sam Gilbert.

The SCH financial regulation amendments were summarised by Karen Cranley and the amendments made to the Financial Regulations were summarised at Appendix C of the report.

The Rules for Contract have significantly changed following the introduction of the new Oracle Cloud system and the movement of the procurement service to the council. Charlotte Kings explained that the changes have allowed us to streamline ways of working and build in additional resilience. The additional information also provides improved knowledge and capability for people within SCH in relation to procurement rules.

DECISION

(i) APPROVED: the updated Financial Regulations and Rules for Contract.

9. QUARTER 4 2022/23 HEALTH AND SAFETY REPORT

Mark Wills, Health, Safety and Risk Manager, provided an update on the legislative changes and guidance in Appendix 1 and the accident/incident reporting analysis for quarter 4 2022/23. He particularly noted:

- The advice provided to SCH following the new rules governing the disposal of waste that may contain persistent organic pollutants (POPs).
- A reduction in the number of incidents reported in this quarter (30 compared to 41 in the previous quarter), which appears to be related to a reduction in tenant-related incidents.
- One major RIDDOR reportable injury involving a fall from height. Management team has received actions to prevent a reoccurrence (review of risk assessments and safe systems of work, especially those relating to work at height and equipment used). Although the HSE has not requested to review the incident, recommendations need to be implemented to ensure workplace safety.

Phil Hardy questioned the low number of ‘near-miss’ incidents recorded by SCH. Following a discussion about this with Darren Baggs it has been agreed that work to promote near misses will be undertaken.

ACTION: review and promote near misses to ensure SCH has valuable insight into improving workplace safety (Darren Baggs).

Dave Pinwell queried how SCH is managing the risk of potential explosions from the storage of electric scooters and bikes, particularly in high/low rise accommodation.

Richard Hyde also asked if a risk assessment has been undertaken for the e-transport methods. Darren Baggs confirmed that this will be an action to take forward. The high rise blocks have sprinkler systems installed to mitigate the risk however due to the growth of e-scooters the storage of them will be reviewed.

ACTION: review e-transport methods and implement actions to mitigate the risks associated with the storage of these means of transport (Darren Baggs).

Gail Sleigh asked if wheelchair/mobility scooters batteries use the same type of lithium batteries. It was agreed this will form part of the review when considering e-transport.

Mary Morrissey confirmed that if a piece of equipment is identified as unsafe, SMBC would seize the faulty goods and communicate this accordingly.

DECISION

(i) NOTED: the contents of the report.
(ii) NOTED: appendix 1 Legislative Update.
(iii) NOTED: appendix 2 Accident/Incident Reporting Analysis Q4 2022/23.

10. 2023/2024 BUDGET HORIZON

Karen Cranley updated the Board on the SCH 2023/24 budget horizon and the actions/contributions to the budget strategy reserve.

Karen confirmed the 2022/23 accounts outturn is now known to be a £1.357m overspend. A full report will be presented to Board at the next meeting in September.

Karen asked for Board members to identify whether there are any other savings options that need to be reviewed.

Richard Hyde acknowledged the significant budget pressures and Fiona Hughes provided assurance to the Board that this is a priority for 2023/24 and confirmed the review of savings proposals detailed under 5.2 spans across the whole of the housing service.

Richard Hyde noted the consideration to remove the Money Advice service and queried the rationale. Fiona Hughes confirmed that this isn't part of the landlord service and we may need to consider reducing service provision due to budget pressures.

Bernie Donnelly discussed the importance of this service and Fiona confirmed that the Executive team agreed however it is an area that needs to be reviewed.

Phil Hardy confirmed the complex nature of this work especially when options are being considered to reduce services provided by SCH. He noted that many of the suggested areas of savings involved reducing services and he would like to see some link back to customers' priorities and how data informs these decisions.

Mary Morrissey agreed these are challenging times and there are going to be some difficult decisions that need to be made, therefore it is essential to review and identify mitigating measures by providing customers with a choice of proposals to reduce costs.

Richard Hyde asked if SMBC will review the 5% rent increase. Mary Morrissey confirmed this is not possible for the 2023/24 HRA however gave assurance that if we are in the same position in 2024/25 this will be considered.

Nigel Page identified that there are significant accountancy savings however he would like to see more work undertaken to get the absolute maximum from staffing and process efficiencies over the next three years. Fiona Hughes explained the transfer of the reserves will allow us to plan and undertake a review of staffing structures. This will be reviewed at the away day in June. She also highlighted that a wider review of the housing delivery model, which may offer opportunities for greater collaboration/improvement, are being considered.

Nigel Page raised a question about the financial pressure from Mobysoft. Carol Trappett confirmed a formal review will be undertaken and a report presented to the Housing Operations Committee in September 2023.

Dave Pinwell noted the commercial sector would implement an immediate recruitment freeze in such circumstances. Fiona Hughes acknowledged this however SCH are delivering services to customers in a statutory framework and as such she is considering alternative options to restrict the need for a staffing freeze.

ACTION: provide an update to Board on actions to address the financial pressures - September 2023 (Fiona Hughes).

DECISION

(i) NOTED: the SCH current additional financial pressures for 2023/24.
(ii) NOTED: the actions in progress to address the financial pressures.
(iii) CONSIDERED: any further actions required to address the budget pressure.
(iv) APPROVED: the transfer of £1.75m to the Budget Strategy Reserve where £0.25m is transferred from the restructure reserve and £1.5m is transferred from the SCH General Reserve.
(v) APPROVED: the use of the Budget Strategy Reserve to fund the additional costs of the 2023/24 pay award and employer's pension contributions.

11. CHAIR'S REPORT FROM HOUSING OPERATIONS COMMITTEE MEETING HELD ON 11 MAY 2023

Phil Hardy particularly mentioned the work being undertaken by SCH for managing disrepair, damp and mould within the housing stock, homelessness and allocations pressures, and the challenging environment for the delivery of the new build projects.

DECISION

(i) NOTED the matters considered by the Committee.

12. CHAIR'S REPORT FROM AUDIT AND RISK COMMITTEE MEETING HELD ON 20 MARCH 2023

Richard Hyde asked if damp and mould is considered within the audit plan. It was confirmed the Audit and Risk Committee will consider this as part of the assurance framework for regulatory standards.

Richard Hyde would like an update on the phishing tests that have been carried out. Martyn Sargeant confirmed we are awaiting information from SMBC and this will then form the basis of an action plan for SCH.

Dave Pinwell noted that it had been encouraging to see the timescale accelerating for the OneSCH project.

DECISION

(i) NOTED the matters considered by the Committee.

13. CHAIR'S REPORT FROM BUILDING SAFETY TASK AND FINISH GROUP MEETING HELD ON 17 APRIL 2023

DECISION

(i) NOTED the matters considered by the Task and Finish group.

14. CHAIR'S REPORT FROM HUMAN RESOURCES, EQUALITIES AND REMUNERATION COMMITTEE MEETING HELD ON 24 APRIL 2023

Louise Tubbs noted that the agenda had a particular focus on equalities matters, including consideration of how to strengthen the diversity of the Board.

DECISION

(i) NOTED the matters considered by the Committee.

15. QUARTER 4 2022/23 PERFORMANCE EXCEPTION REPORT

DECISION

(i) NOTED those indicators, and the associated narrative, where the target performance has not been achieved.

16. FORWARD PLAN

The forward plan was noted and the SCH Standing Order Update added.

17. ANY OTHER BUSINESS

Dave Pinwell thanked report authors for responses to the Board's pre-submitted questions and confirmed the process makes efficient use of meeting time.

It was agreed the questions and responses will be appended to the minutes to ensure all information relating to the meeting has been appropriately recorded.

In future, the deadline for sending questions will be midnight on the day before the meeting.

18. REVIEW OF MEETING

Richard Hyde acknowledged that this would be the last meeting for Nigel Page and thanked him for his extremely effective contribution to the Board over the past six years.

Thanks was recorded from Mary Morrissey for SCH's response to the Sudanese evacuees.

DATE OF NEXT MEETING: 4 September 2023 at 6pm.

Signed by Chair: ……Date: …….

7.30 pm

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Solihull Community Housing
Shaping our neighbourhoods

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 do not have a colour code

Actions outstanding / in progress / completed

Ref	Action	Responsible Person	Due Date	Comments	Status
0522-1	Review size and methodology of the current Acuity survey taking into consideration the Housemark review of TSMs	Martyn Sargeant/ Becci Youlden	1 September 2023	A review of the size and methodology of the current Acuity survey taking into consideration the Housemark review of TSMs has been undertaken. Acuity has reviewed SCH's sample size to ensure alignment with TSM requirements. The use of telephone surveys continues, as this offers opportunities to gather feedback and probe dissatisfaction to improve service delivery.	
0522-2	Review and promote near misses to ensure SCH has valuable insight into improving workplace safety.	Martyn Sargeant	1 September 2023	This has been picked up as an issue by the Occupational Health and Safety Group and promoted across SCH through internal comms.	
0522-3	Review e-transport methods and implement actions to mitigate the risks associated with the storage of these means of transport.	Darren Baggs	1 September 2023	Ongoing communication to all high-rise residents and also within SCH newsletter, advising of risks associated with E powered transportation and how to mitigate. Additionally a review of SCH Mobility scooter policy will be required.	

0522-4	Provide an update to Board about the actions to address the financial pressures	Fiona Hughes	1 September 2023	In discussion with the Chair, finance will be discussed in detail during the September meeting and an update will be provided.	
A/R 0703-5	Update on Board vacancies	Fiona Hughes/ Richard Hyde	1 September 2023	This will be reported to Board on 4 September 23	

29/08/23

Meeting of the Board

Report title:	Chief Executive's update	
Meeting date:	4 September 2023	
Report from:	Fiona Hughes, Chief Executive	
Report author/ lead officer:	Fiona Hughes 0121 704 8812	Chief Executive fionahughes@solihullcommunityhousing.org.uk
Report type:	~~Confidential~~ Open	
Decision type:	~~Assurance~~	~~Approval~~ Information

1. Report overview/purpose

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. Recommendations

2.1 The Board is asked to:

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

3. Chief Executive priorities

3.1 Looking ahead to the coming months, a central priority for the Chief Executive will be to stabilise the financial position in relation to emerging pressures in particular with regard to property related cost escalation. Board will understand that the Housing Revenue Account (HRA) underpins the financial resourcing for the management and maintenance of the council housing stock and SCH receive a proportion of the HRA (the SCH management fee). The management fee received by SCH becomes the SCH company budget and this is the responsibility of the SCH board. However, to address pressures and stabilise the financial position, the HRA overall must be in scope for consideration.

3.2 Board reports under items 11, 12 and 13 provide more detail but the following headline actions are in progress in response to the current financial position:

- Analysis of asset management spend through SCH to understand the driver for cost escalation

- Implementation of current savings plans through SCH and scoping of additional options to deliver savings over the MTFS period
- Analysis of other HRA budget elements to identify opportunities for savings
- External health check of the 30 year HRA business plan to identify any additional opportunities for income maximisation and benchmark other elements of spend e.g. capital investment
- Further refinement of stock performance data to determine stock investment profile over the MTFS period and the 30 year plan

3.3 A second key priority for the chief executive is continued preparation for the Introduction of the new social housing regulation framework through the Social Housing (Regulation) Act. A more detailed report later on the agenda provides additional detail and the following headline actions are in progress:

- Joint SCH / SMBC working group chaired by the SCH Chief Executive to lead on preparations across both organisations as well as advise on governance and assurance arrangements
- External review of SCH compliance with current consumer standards including gap analysis to pinpoint gaps
- Overview of SCH policy framework
- Review of the current levels of qualification of staff to identify gaps ahead of professionalisation
- Ongoing focus on gathering TSMs to the correct methodology and assessment

4. Executive Team

4.1 The Executive Team is transitioning through the departure of the previous head of AMD and this is causing some capacity issues, particularly in Asset Management and Development where other vacancies in capital investment and repairs management are compounding the issue.

4.2 Recruitment is in progress but social housing is a challenging market and this is reflected in the difficulties being experienced in identifying suitably qualified candidates for key roles with the result that a number of current vacancies are occupied by agency staff. The chief executive has asked for an invest to save initiative to come forward to support recruitment and reduce the number of agency staff. This is being developed by the relevant Executive Director working with HR and the board will be updated on progress in due course.

5. Better Social Housing Review

5.1 The Better Social Housing Review has been published with seven key recommendations for social housing providers – initially targeted towards housing

associations but now also including council house providers following collaboration with the LGA and NFA:

i. Every social housing provider, and the sector as a whole, should refocus on their core purpose and deliver against it
ii. Social housing providers should work together to conduct and publish a thorough audit of all social housing in England
iii. Social housing providers should partner with tenants, contractors and frontline staff to develop and apply new standards defining what an excellent maintenance and repairs process looks like
iv. The Chartered Institute of Housing (CIH) should promote the traditional housing officer role as a supported and valued employment opportunity with a CIH recognised programme of training and continuing development
v. Social housing providers should work with all tenants to ensure that they have a voice and influence at every level of decision making across the organisation, through both voluntary and paid roles
vi. Social housing providers should develop a proactive local community presence through community hubs which foster greater multi-agency working
vii. Social housing providers should support tenants and frontline staff to undertake an annual review of the progress each organisation is making in implementing this review's recommendations

5.2 The Executive Leadership Team will provide a position statement against each of the recommendations at the next Board meeting.

6. Ombudsman determination

6.1 SCH received an unfavourable determination from the Housing Ombudsman in June relating to a long-running dispute with a tenant about his heating system and steps taken to arrange gas safety checks at his home. The Ombudsman commended SCH for the lengths it had gone to to support the tenant (who had a number of vulnerabilities) but also identified areas for improvement.

6.2 Whilst the Ombudsman found no maladministration regarding the heating system, he identified:

- Maladministration in relation to complaint handling, essentially that SCH's consideration of the complaint was too slow and prolonged;
- Severe maladministration in relation to gas safety checking, essentially that the property was left without certain certification (and therefore adjacent properties were put at risk) because SCH made too many allowances for the vulnerability of the tenant.

6.3 SCH has accepted the first judgement and complied with the Ombudsman's order to apologise to the tenant and compensate him (£300). SCH has also reviewed its gas safety policy, in line with the Ombudsman's direction, but queried the legal basis of the decision.

6.4 A short briefing note was prepared for the Cabinet member through the Quarterly Monitoring Board. A copy is attached for Board members' information. A full report will be submitted to the Housing Operations Committee for review.

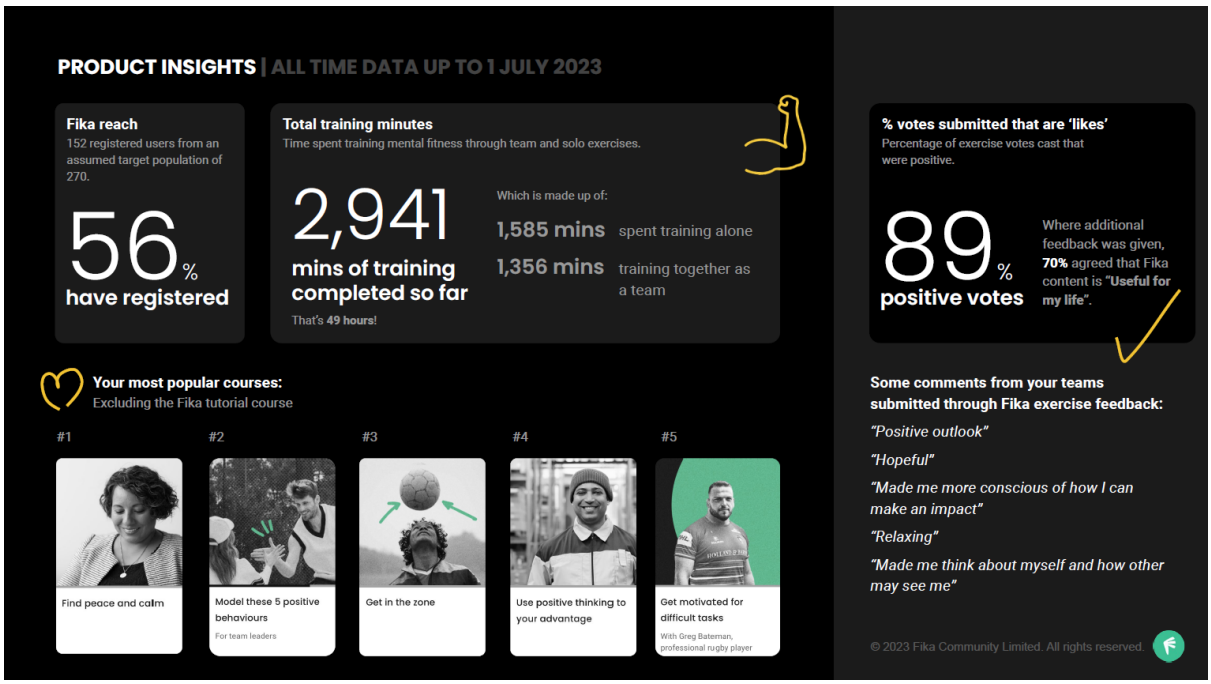
7. Staffing and people

7.1 SCH's new Organisational Development Lead joined the company at the end of August. Carole Nock joins from Dudley Council, where she had many years of experience supporting the development of employees and organisational culture. Particular priorities for her first six months include:

- Supporting the development of a leadership and management culture that enables the effective running of SCH and delivery against the Delivery Plan priorities;
- Integrating apprenticeship roles into recruitment;
- Developing SCH's wellbeing priorities and activities;
- Embedding the professionalisation agenda at SCH;
- Developing an organisation-wide training and development plan;
- Undertaking a review of the PDR process

7.2 Employee wellbeing continues to be both a concern and a priority. Absence due to mental health issues remains by far the biggest cause (around a third), and self-assessment by staff (albeit based on a limited sample using the Fika tool – see below) suggests as many as 60 employees feel 'highly burnt out'.

7.3 Access to the Fika platform was launched at the staff conference, designed to provide support for managers and employees, particularly in regard to mental health. In the first quarter, 56% of employees have registered, undertaking nearly 50 hours of support and training (individually and as teams).



8. Capital projects

8.1 The Investment programme is proceeding well and in line with delivery targets, except for the Spandrel Panel project, which is on hold while louver designs are reviewed, sprinkler installs are nearing completion and to programme. Delivery teams are working hard to ensure that value for money is achieved by ensuring projects are planned to avoid duplication. An example of this is the Sprinkler instals at Kinghurst which are running alongside the sub-mains renewals and Walkway Bridge investigations. This forethought is saving on multiple site trenches, inspections, fees and less disturbance to a historic site and the use of the sprinkler boxing to conceal submain cables.

8.2 The refurbishment of Greenhill Way is now complete and handed over for use as temporary refugee accommodation. Our kitchen and bathroom replacement programmes are close to completion with communal decorations in progress and tarmac renewal and repairs about to start.

8.3 Decency funding is being used to upgrade the insulation to 21 properties with a further 140 Birmingham box properties under consideration for frame insulation upgrades. Opportunities to obtain external funding for projects is under constant review.

8.4 Stage 1 of the structural survey project is now complete, which captured extensive detail of the 37 high rise tower blocks and associated risk assessments. Stage 2 has commenced, which will see intrusive investigations upon 1 block of each of the 5 different architypes, to explore mechanical ties and fixings, concrete composition, degradation etc.

8.5 Expenditure on the circa £18 million delivery budget was 17% of budget at the end of July which is good for the stage of the year. It should be noted that a large portion of the total budget 8 million relates to the Spandrel Panel project which is on hold while designs are reconsidered.

8.6 The capital and the high-rise project teams are now working closely together, the combined resource is already delivering efficiencies and benefits from information sharing.

9. Development schemes

9.1 Good progress continues to be made on the regeneration of Kingshurst village centre despite current challenging market conditions, with initial demolition and enabling works completing in July. In June, cabinet approved £8,220m for the first phase of works on the former Mountfort pub site, this initial phase will deliver 25 net zero social rented properties and associated works. This first phase of the overall masterplan delivery benefits from grant funding from both Homes England and the Brownfield Land Release Fund. Construction works started on-site in August and are due to complete in September 2024. Works on the remaining phases continue with Cabinet expected to receive a report for Phase 2 approval in the Spring of 2024.

9.2 Recently we have just completed the demolition of the former low-rise Lakeside building which will make way for a new 28 unit net zero scheme. Tender documents are currently being prepared and we are monitoring the contractor market carefully prior undertaking a tender exercise. We are currently progressing design works on 3 further pipeline sites at Daylesford Road and Campden Green, with planning applications expected within the next year.

10. Building safety

10.1 A key priority at the current time is completion of the first stage of the registrations for high-rise properties with the Building Safety Regulator, which is due on October 1st (as required by the Building Safety Act 2022). This is consuming significant resource but is currently expected to be completed as required. At the time of writing, the data for 23 of the 37 blocks had been collated, with the remainder to be completed during August.

10.2 Completion of fire remediation actions has fallen behind, due to both internal and external resourcing. It is necessary to recruit specialist contractors for some work, whilst SCH's own resourcing has been impacted by resignation and sickness absence. A new Fire Safety Manager commenced with SCH on 7 August, which will support this area of work.

10.3 It was important to ensure there were robust reporting arrangements in place on building safety matters to provide assurance to the Board and the Council. However, the first iteration proved to be very resource-intensive so is being

reviewed and streamlined by the Business Intelligence Manager to free up time for the Safer Homes team.

11. Engagement

11.1 SCH's *Big Conversation* returns for 2023, aiming to speak to as many customers as possible to understand their views on, and priorities for, SCH. Pop-up sessions at high-rise blocks and walking the streets began in August and will run until late September. Learning from the *Big Conversation* will be shared with Board members and used to help shape the next Delivery Plan. Any Board member interested in being part of a *Big Conversation* session, can e-mail engagement@solihull.gov.uk

11.2 Performance monitoring and feedback from customers has highlighted a concern about the quality of cleaning in communal areas. The Estates team has worked through contract monitoring to address improvement issues and the SCHape Panel has identified this as the focus of its next scrutiny exercise.

12. Housing Delivery

12.1 The CPH Housing Decision session on 20 July saw approvals granted for SMBC/SCH to proceed with formal consultation on the draft Allocations Policy. This will see a statutory 12 week public consultation process with stakeholders, residents and applicants which will commence August/September.

12.2 SCH has now successfully rehoused all remaining residents from the Extra Care scheme at Green Hill Way. Plans are now underway for this scheme to be leased by SMBC to Ashley Community Housing (ACH), which will manage it for the next 12 months for (mainly) single Ukrainian households facing homelessness. Handover to ACH is likely to be completed by the end of August 2023.

13. Governance

13.1 Annual reviews have now been completed with all Board members and the output from this will be reported to the Human Resources, Equalities and Remuneration Committee's next meeting. One issue highlighted through the process has been the need to develop Board members' understanding around housing finance, so this will form the focus of the autumn training session (scheduled for the afternoon of Tuesday 14 November).

13.2 The Annual General Meeting will be held in November as usual, with some changes to Board membership arising as people reach the end of their terms in office. The Governance review report later on this agenda sets out proposals to ensure effective governance is maintained.

14. Quarterly Monitoring Board

14.1 Following the local elections in May, the Leader of the Council has appointed a Cabinet member to the new post of portfolio holder for housing. Cllr Mark Parker has therefore taken over as chair of the Quarterly Monitoring Board, which provides assurance to the Council in relation to SCH.

14.2 With a new chair, the Council has taken the opportunity to refocus the QMB meetings. This has included less scrutiny of performance detail, which is considered through the Performance and Partnerships Group. The most recent meeting of QMB was on 14 August, for which the papers will be sent to Board members.

Briefing note

Title:	Timmins complaint – Ombudsman outcome
Author:	Martyn Sargeant, Executive Director
Date:	11 August 2023

Background
SCH received a complaint from the Housing Ombudsman Service about concerns raised by Mr Timmins in relation to changes made to his heating system. Mr Timmins was unhappy about how SCH had dealt with him about the changes and how his complaint had been dealt with. In addition to these matters, arising from their own investigation, the Ombudsman also considered SCH's handling of gas safety testing at the property.

Following submission of background information, the Ombudsman set out his provisional decision in June 2023, noting that he found no maladministration in regard to the heating system but found:

- 'Maladministration in the landlord's complaint handling;
- 'Severe maladministration in the landlord's handling of gas safety testing in the property.'

The Ombudsman identified a failure to identify and respond quickly enough to the resident's complaint. He also identified some areas where SCH's complaints policy should be amended to reflect the Complaints Code.

Mr Timmins was known to have various health vulnerabilities. In his determination, the Ombudsman commended SCH on its response to the significant vulnerability of the tenant. However, in relation to the matter of the gas service, the Ombudsman decided that 'whilst the landlord went to considerable and commendable lengths to demonstrate that it had explored every available alternative to legal action, it failed to carry out these actions at a sufficiently urgent pace. This resulted in the resident's property being without the safety certificates required by law for almost a year putting the resident and neighbouring residents at risk.'

SCH's response
SCH responded quickly to the Ombudsman's direction regarding the maladministration, ensuring:

- The resident received an apology from a senior manager about how his complaint had been handled.
- Compensation of £300 was provided.
- SCH's complaints policy was reviewed, although no amendments were required as the case was prior to the introduction of the code of guidance.

However, clarification was sought from the Ombudsman with regard to:

- The application of the HSE's guidance on gas testing during the pandemic.
- The fact that SCH adhered to its gas safety policy in place at the time (i.e. we would not cap gas unless it was external and the tenant was not vulnerable).
- The Ombudsman's view that the safety of others in the vicinity should have taken priority over consideration of Mr Timmins' vulnerability.
- The legislative basis for particular aspects of the determination.

In the absence of a response from the Ombudsman by the original deadline, details of the full review of the gas safety policy were shared with the Ombudsman on 24 July.

Ombudsman's final determination
SCH received the Ombudsman's response on 7 August, in which clarification was offered about the points raised and confirmation the Ombudsman's original decisions would not be changed. The main point made by the Ombudsman is that he is not bound to only consider events in the context of legislation, nor in relation to a landlord's policies and procedures, but rather what he considers to be fair and reasonable in the circumstances. The review therefore concluded that there were no grounds to change the original determination.

Next steps
The Ombudsman's commentary regarding complaint handling underlines his expectation that landlords need to dynamically assess whether a customer is complaining, irrespective of whether a communication is described specifically as a complaint or not. This is an area where SCH can strengthen its approach, so will form part of the internal communication that follows the review of complaint handling currently underway, as well as on an ongoing basis.

The outcome of the complaint and the determination from the Ombudsman will be reported to the SCH Board at its meeting on 4 September, with a recommendation that the case be reviewed in greater detail by the Housing Operations Committee on 18 September. It will also be reported to the Council's Quarterly Monitoring Board on 14 August.

Meeting of the Board

Report title:	Governance review		
Meeting date:	4 September 2023		
Report from:	Martyn Sargeant, Executive Director – Customer Service, Transformation and Business Support		
Report author/ lead officer:	Martyn Sargeant 0121 704 8667	Executive Director Martyn.sargeant@solihullcommunityhousing.org.uk	
Report type:	~~Confidential~~ Open		
Decision type:	~~Assurance~~	Approval	~~Information~~

1. Report overview/purpose

1.1 To seek approval for amendments to the Standing Orders.

2. Recommendations

2.1 The Board is asked to:

(1) Approve amendments to the Standing Orders (appendix A).
(2) Agree that the Building Safety task and finish group should become a permanent committee and approve the draft terms of reference (appendix B).
(3) Confirm the committee membership, making any changes required.
(4) Agree the co-option of Mani Roberts and Paul Robinson to the Audit and Risk Committee.
(5) Agree the extension of Louise Tubbs' tenure for a further period of 12 months beyond her completed two terms of office.
(6) Note the record of Board members' meeting attendance, declarations of interest and expenses claimed for 2022/23 (appendix C).
(7) Approve the annual governance statement (appendix D).

3. Standing Orders

3.1 The last full review of the Standing Orders was carried out in July 2022, when a number of minor amendments were made to the Rules for Contract. A further review of both the Financial Regulations and Rules for Contract was considered by the Board in May 2023. This review focuses only on the governance elements of the Standing Orders.

3.2 A marked-up copy of the Standing Orders is attached as appendix A, showing the proposed amendments. In addition to ensuring the Standing Orders are up-to-date, the main changes are to:

- Reflect the Board's role in building safety assurance.
- Align Board tenure provisions with the National Housing Federation's Code of Governance.
- Include a new Building Safety Committee (see below).
- Improve the clarity of quoracy provisions.

4. Board and Committee membership

4.1 The Board currently has three committees and, last year, set up a Building Safety task and finish group. That group has had an important role in providing assurance that SCH is effectively managing building safety issues, particularly in response to new regulatory and legislative requirements. The group also reports to the Council's newly-formed Building Safety Assurance Board. The importance of building safety is not going to lessen over the coming months and years, and consequently this paper proposes that the existing group should become a permanent committee of the Board. Draft terms of reference are attached as appendix B.

4.2 The Board has previously agreed to have two individual Board members taking on specific roles as champions for health and safety (temporarily Richard Hyde, as chair of the Board), and customer engagement (Louise Tubbs).

4.3 The table below sets out the current membership of the various committees. As there have been no changes to Board membership, no changes are required to committee membership.

Committee	**Membership**
AUDIT AND RISK (terms of reference state minimum of three members, ideally including two with recent and relevant financial experience and competence in accounting/auditing)	Mark Thrasher (chair) Cllr Bernie Donnelly Nigel Page Cllr Dave Pinwell
BUILDING SAFETY (minimum of four members)	Richard Hyde (chair) Cllr Bernie Donnelly Phil Hardy Nigel Page Mark Thrasher
HOUSING OPERATIONS (minimum of four members)	Phil Hardy (chair) April Halpin Cllr Gail Sleigh Louise Tubbs

HUMAN RESOURCES, EQUALITIES AND REMUNERATION (minimum of four members including two independents)	Louise Tubbs (chair) April Halpin Richard Hyde Nigel Page

4.4 The Board is asked to review committee membership and make any changes as required.

4.5 The Articles of Association permit the Board to appoint up to three co-optees. In order to strengthen the committees, specifically Housing Operations and Audit and Risk, co-optee roles were advertised in July to gauge potential interest. This yielded two good candidates for the Audit and Risk Committee, who were interviewed by the Chairs of the Board and the Committee, and the Director of Finance. The panel felt both candidates would strengthen the Audit and Risk Committee, given specific experience in the housing sector and professional expertise in finance and governance respectively. The panel is therefore recommending that the Board co-opts Mani Roberts and Paul Roberts to the Audit and Risk Committee. The Articles are silent on a term of office for co-optees, who may be removed by the Board at any time. The initial appointment would be to the committee only (i.e. not as a member of the Board), for which remuneration of £1,200 would be provided.

4.6 The Board is currently carrying one vacancy for a tenant Board member. In November, both Louise Tubbs (tenant) and Nigel Page (independent) are due to stand down, having completed two terms of office. Co-opting individuals with relevant experience to the Audit and Risk Committee provides a potential development pathway to full Board membership, so the situation with regard to independent Board members will be kept under review. Over the last year, Louise has taken on the chair of the Human Resources, Equalities and Remuneration Committee. To support continuity of governance and, whilst recruitment to the vacancy is considered, it is proposed that Louise's tenure should be extended for a period of 12 months.

5. Board attendance/expenses

5.1 Appendix C sets out a summary of Board members' attendance at meetings during 2022/23, and a statement in relation to declarations of interest and expenses during the year.

5.2 The Board member expenses policy was last formally reviewed in 2011. The current mileage rate of 45p/mile, which is the same as is paid to employees, remains in line for the maximum rate permissible by HMRC, and there is no proposal to change this.

6. Annual governance statement

6.1 SCH produces an annual governance statement to provide assurance regarding its governance arrangements. It covers all significant corporate systems, processes and controls, spanning all SCH's activities including, in particular those designed to ensure:

- Policies are implemented as intended.
- High quality services are delivered efficiently and effectively.
- Values and ethical standards are met.
- Compliance with relevant laws and regulations.
- Adherence with required processes.
- Financial statements and performance information are accurate and reliable.
- Human, financial and other resources are managed effectively and efficiently.

6.2 Assurances were collected and collated in line with the process agreed with the Executive Leadership Team (aligned to the Council's approach) and the outputs considered by the Chief Executive and the Chair of the Board.

6.3 The statement (attached as appendix D) reports how SCH has robust governance systems consistent with the principles of the CIPFA/SOLACE framework – Delivering Good Governance in Local Government (2016).

7. Supporting the SCH Delivery Plan

7.1 Effective governance is an important and integral part of ensuring that SCH achieves the objectives set out in the Delivery Plan. The proposals set out in this report support the maintenance of effective governance and therefore the aims of the Delivery Plan.

8. Consultation and engagement

8.1 No consultation has been undertaken in relation to this report.

9. Financial implications

9.1 The proposed co-options to the Audit and Risk Committee will cost £2,400, which will be covered from an underspend against Board member remuneration due to vacancies.

10. Legal implications

10.1 The rules for SCH's governance are set out in the Articles of Association, supported by the Standing Orders, as well as legislation pertaining to company governance.

11. Risk implications

11.1 SCH has a specific corporate risk – 'failure to have robust governance arrangements in place' – that sets out a series mitigating actions. The risk is reviewed periodically by the Executive Leadership Team, with the oversight of the Audit and Risk Committee.

12. Equalities implications

12.1 There are no equalities implications arising from this report.

13. List of appendices

App A: draft Standing Orders
App B: draft terms of reference for Building Safety Committee.
App C: summary of Board members' attendance, expenses and declarations of interest for 2022/23.

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Standing Orders

(incorporating Rules for Contracts and Financial Regulations)

Version Control		
Section	*Date approved by Board*	*Date of next review*
1: Standing Orders	4 September 2023	May 2024
2: Rules for Contracts	22 May 2023	May 2024
3: Financial Regulations	22 May 2023	May 2024

Press the 'Ctrl' button and click on the name of the particular section in this index to go to the relevant section within the document

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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 and 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 and employees, and published on the website.

2.5. References to a 'Member' or 'Members' refer to Board Members.

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;
- assure itself of compliance with all regulatory requirements, with particular regard to building safety;
- 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 ten, comprising three Council Board Members, three tenant Board Members, three 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 uphold 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 normally for up to a maximum of six consecutive years or two terms of office without a break in service equivalent to a minimum of one full term of office. In accordance with the National Housing Federation's Code of Governance, the Board may agree to extend a Board Member's tenure up to a maximum of nine years, in order to ensure continuity of effective governance.

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. The Board currently has four Committees:

- Housing Operations
- Audit and Risk
- Human Resources, Equalities and Remuneration
- Building Safety

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. The Board reviews the membership of its Committees annually.

4.6. The Board will receive the minutes of each Committee meeting, which will form the basis of a report to the following Board meeting from the Chair of each Committee setting out the activity of the Committee and decisions taken

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.

5. COMPANY SECRETARY

5.1. 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.

6. BOARD MEETINGS

6.1. 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.

6.2. 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.

6.3. The agenda for Board meetings will be agreed with the Chair and the Secretary to meet the needs of the business.

6.4. Special Board Meetings may only deal with the business indicated in the Notice of Meeting.

6.5. The Chief Executive of SCH may attend Board meetings unless requested not to do so by the Chair. He/she/they does not have voting rights.

7. CHAIR

7.1. 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.

7.2. 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.

8. QUORUM AND NON-ATTENDANCE AT MEETINGS

8.1. 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

8.2. No decisions may be made at any meeting of the Board unless there is a quorum of members present. In the event that a meeting is not quorate, it may continue at the discretion of the Chair but decisions may only be taken in principle and then submitted for ratification at a subsequent meeting of the same Committee or the full Board.

8.3. 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.

8.4. 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/she/they shall be removed from the Board. The Chair may give prior approval, at his/her/their discretion, in appropriate circumstances, such as extended sick leave or parental leave.

8.5. Members unable to attend a meeting should advise the Chair through the Secretary. If there are any points a non-attending Member wishes to have raised at the meeting, he/she/they should submit those 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.

9. MINUTES

9.1. 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.

9.2. The Secretary will maintain a record of all minutes once they have been ratified so that their accuracy can be easily verified.

10. ADMISSION OF THE PUBLIC

10.1. 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, or
- when it is commercially confidential.

10.2. 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.

11. CONDUCT OF MEETINGS

11.1. 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.

11.2. 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 four days in advance of each meeting.

11.3. 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.

11.4. All meetings will be conducted in accordance with the Memorandum and Articles of Association and these Standing Orders.

11.5. 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.

11.6. 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.

11.7. 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.

11.8. The Chair should identify the decision that has been reached after each item on the agenda.

12. URGENT DECISIONS

12.1. 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 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.

12.2. Where the Chief Executive (or in the Chief Executive’s 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/she/they may ask the Chair to call an additional meeting of the Board, either in person or by phone to determine this single issue.

12.3. If this is not feasible the Chief Executive (or in the Chief Executive’s 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.

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

13. BOARD MEMBERS' INTERESTS

13.1. 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.

13.2. 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.

13.3. 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.

13.4. No Member, by virtue of office or employment, may accept any fee or reward for work undertaken on behalf of Solihull Community Housing, other than the remuneration received in respect of their role as a Board member.

13.5. 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.

14. EMPLOYEES' INTERESTS

14.1. 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.

14.2. 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.

14.3. 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.

14.4. Members and senior officers of SCH are also required to communicate to the selection panel details of any relationship /friendship with a candidate for appointment.

15. DELEGATIONS TO THE CHIEF EXECUTIVE

15.1. The Chief Executive is ultimately responsible for the operational management of SCH's affairs. He/she/they 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.

15.2. 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 the SCH Executive Leadership Team should be shared with the Board.
- Inform the Chair (and where appropriate the Board) of any misconduct allegations against a member of the Executive Leadership Team.

15.3. All matters not reserved to the Board, or delegated to the Committees of the Board, are delegated to the Chief Executive.

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 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 waiver 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 relevant Cabinet Member 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's Chief Executive, 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.

Building Safety Committee

Terms of Reference

1 Purpose

1.1 The Building Safety Committee forms part of the wider health and safety governance arrangements for Solihull Community Housing (SCH). The focus is both internal and external, seeking assurance of the systems and procedures in place to ensure the health and safety of our residents, buildings, employees, contractors and visitors in relation to the Solihull residential and community purpose social housing portfolio.

1.2 The Committee is accountable to SCH Board (see governance structure diagram at appendix 1).

2 Membership

2.1 The Board will appoint the Chair of the Committee, after taking advice from the Chair of the 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 Chair of the Building Safety 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 one additional three year period, 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 individual's such as the Chief Executive, members of the Executive Leadership Team, Accountable Person (SMBC), Health & Safety Advisor (SMBC), Head of Building Safety and external visitors may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

2.5 Specialists may be co-opted for meetings when there is discussion on subjects where their expertise is required.

2.5 In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who must be fully informed and briefed beforehand.

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 and otherwise as required.

5.2 Additional meetings may be called by the Chair as necessary; at least seven days' notice must be given when calling a meeting.

5.3 The duration of the meetings will be no more than 2 hours.

5.4 Meetings may be held virtually or in person. Where possible, facilities will be made available to allow members to attend face-to face meetings virtually.

5.5 Issues for discussion must be raised in advance as agenda items.

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.

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 Chair it would be inappropriate to do so.

8 Annual General Meeting

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

9 Duties

The primary responsibilities of the Committee are:

9.1 To ensure oversight and compliance with current and future building safety legislation/regulation.

9.2 To ensure oversight of the Building Safety Implementation Plan.

9.3 To monitor whether resident and building safety cases are being effectively managed, including risk control measures, disseminating key measures to residents as part of the Resident Engagement Strategy.

9.4 To receive reports on compliance performance information, strategic resident and building safety matters and projects, with a view to noting progress made, identifying learning points and making recommendations as appropriate.

9.5 To receive by exception:

a. Matters found during Fire Risk Assessments (FRA) inspections.
b. Reports and findings from the Asbestos Management Group.
c. Any significant incident report with actual or potential safety implications to SCH managed Assets.

9.6 To receive information from the Building Safety Regulator (BSR) or other enforcing bodies, to consider the implications of investigations, enforcement, statutory notices, prosecutions, etc.

9.7 To receive information relating to changes in legislation, regulation and guidance and make recommendations where appropriate to ensure compliance.

9.8 To receive information relating to new and/or revised resident and building safety policies, and to determine whether to comply with these or adopt a specific SCH version as determined by the SCH Policy Tracker.

9.9 To consider any matters, falling within its general remit, referred to it by the Board.

10 Reporting Responsibilities

10.1 The Committee Chair 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 Chair 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 and on-going basis for all members.

11.4 Give due consideration to laws, regulations and any published guidelines.

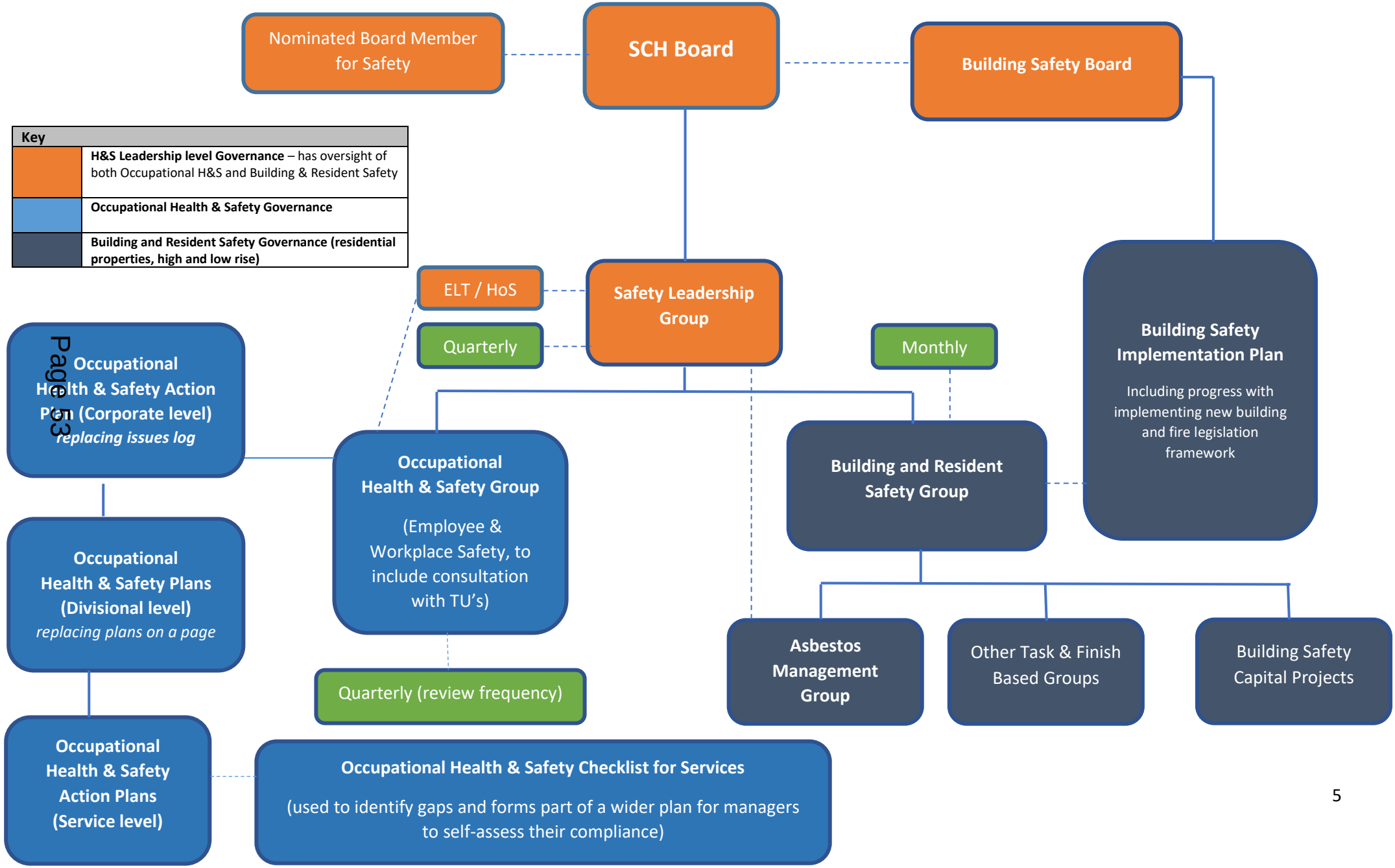
11.5 Arrange for periodic reviews of its own performance and, at least annually, review Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

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).

Occupational Health & Safety and Building & Resident Safety Governance (SCH)



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Appendix C: Annual Governance Review: Attendance/Expenses

1. Member Attendance at Meetings from April 2022 – March 2023

Board Member	ATTENDANCE				
	Full Board	Audit & Risk	Housing Operations	Human Resources, Equalities & Remuneration	All meetings
Richard Hyde	100%	N/A	N/A	100%	100%
David Bell (stepped down July 22)	100%	100%	100%	N/A	100%
Bernadette Donnelly (appointed July 22)	100%	33%	N/A	N/A	67%
Jenny Fletcher (stepped down Sept 22)	100%	100%	N/A	100%	100%
April Halpin	100%	N/A	100%	100%	100%
Phil Hardy (appointed July 22)	67%	N/A	100%	N/A	83%
Nigel Page	100%	75%	N/A	67%	82%
Dave Pinwell	75%	100%	NA	N/A	86%
Gail Sleigh (appointed July 22)	100%	N/A	100%	N/A	100%
Mark Thrasher (appointed July 22)	100%	100%	N/A	N/A	100%
Louise Tubbs	100%	N/A	100%	100%	100%
Chris Williams (stepped down July 22)	50%	N/A	100%	100%	80%

Full Board – attendance has slightly decreased from 95% to 92% with 9 members achieving 100% attendance.

Audit & Risk Committee – attendance has slightly decreased from 85% to 82% with five members achieving full attendance.

Housing Operations Committee – attendance has increased from 89% to 100%.

Human Resources, Equalities & Remuneration Committee - attendance remained stable at 93% with only one apology during the year and 5 out of 6 members achieving 100% attendance.

	Full Board	Audit & Risk	Housing Operations	Human Resources, Equalities & Remuneration
Overall %	92	82	100	93
Tenant %	100	100	100	100
Council %	86	71	100	100
Independent %	86	89	100	83
No. achieving 100%	9 (out of 12 members*)	5 (out of 7 members*)	7 (out of 7 members*)	5 (out of 6 members*)
No. in breach of attendance rules	0	N/A	N/A	N/A

*Refers to total number of members during the year, although not all members have been members throughout the year.

2. Declarations of Interest

2.1 The Annual Declarations of Interest for the year ended 31 March 2022 have been completed by eight out of eight members. No declarations of hospitality were received by the Company Secretary during 2022/23.

3. Expenses paid to members

3.1 During 2022/23, expenses claimed by members or expended on behalf of members by SCH totalled £943.45 compared to £511.26 in 2021/22 and £304.61 in 2020/21.

3.2 Four out of five eligible members made claims, of which the largest claim was £456.30 (mileage).

Annual Governance Statement 2022-23

1. Introduction

The SCH Board acknowledges its overall responsibility for establishing and maintaining a system of governance, risk management and internal control to review the company's effectiveness and protect and make the best use of public funds.
The Board consists of ten members and three committees, namely the Audit and Risk, Housing Operations and Human Resources, Equalities and Remuneration committees, which are responsible for the strategic governance of the company. To provide additional assurance around resident and building safety there is a building and resident safety task and finish group that reports directly to the Board.

This Annual Governance Statement covers SCH's significant corporate systems, processes, and controls, including in particular those designed to ensure that:

- Laws and regulations are complied with
- Policies are implemented in practice and required processes are adhered to
- High quality services are delivered efficiently and effectively
- The company's values and ethical standards are met
- Performance and financial statements and other published information are reliable
- Human, financial, and other resources are managed efficiently and effectively.

The Annual Governance Statement is reviewed by the Audit and Risk Committee prior to its approval by the Board. Once approved, it is signed by the Chair and the Chief Executive before being published on SCH's website.

2. The Governance Framework

The SCH governance framework comprises the policies, systems, and processes that SCH is directed and controlled by. The SCH values of **H**onesty, **E**xcellence, **A**chieving together, **R**espect and **T**ransparency underpin the framework and all the activities undertaken by the organisation. The framework also ensures that there are proactive processes for identifying, evaluating, and managing significant risks faced by the company. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

In addition to having a robust governance framework in place, SCH seeks to continuously refine and monitor the effectiveness of its governance arrangements and assurance. To further this approach, the SCH Board has adopted the National Housing Federation Code of Governance and annually reviews compliance with the code and action planning, with the last review being November 2022. The National Housing Federation is the trade body for Registered Social Landlords rather than ALMOs (trade body National Federation of ALMOs) and therefore some of the requirements of the Code do not apply to SCH.

As a wholly owned subsidiary of Solihull Metropolitan Borough Council, SCH is guided by the governance principles set out in the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government (2016). Given below are some key highlights of how SCH delivers its governance commitments in line with the principles of the Framework:

2.1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Regulatory compliance to the Financial Conduct Authority regulations
- Regulatory compliance with the requirements of Companies House
- Compliance with the gas certification authority, Gas Safe
- Compliance with the Housing Ombudsman Code of Guidance
- Processes are in place to ensure we comply with the Right to Repair legislation and that adequate reporting and records are maintained in line with the Habitable Homes Legislation
- Anti-fraud and corruption policies provide clear guidance and procedures for reporting conflicts of interest and the receipt of gifts and hospitality, including a mandatory annual declaration of interests by all staff and SCH Board Members. At the start of every SCH Board and Committee meeting members are asked to declare any interests arising from items on the agenda
- A code of conduct for employees, including a disciplinary policy to enable individual cases to be resolved fairly, consistently and in a timely manner
- A code of conduct for contractors to protect the interests of SCH tenants and leaseholders for whom SCH provides services, and protect contractors who deliver those services on behalf of SCH. The code includes guidance on not only conduct, safeguarding and confidentiality, but also provides clear direction on diversity and inclusion
- Standing Orders incorporating Rules for Contract and Financial Regulations reviewed annually and made available for all staff on the intranet
- Letter from regulator in November 2022 responded to within timescales
- New code of guidance from the housing ombudsman implemented and the SCH complaints policy updated to achieve compliance.

2.2 Ensuring openness and comprehensive stakeholder engagement

<u>Engagement with SCH customers and staff:</u>

- A third of the places on the SCH board are reserved for tenants/ leaseholders
- Multiple channels of communication have been developed, including regular business bulletins sent out via email with key updates and information
- The customer engagement framework includes a wide range of mechanisms and activities to engage residents in the work of SCH including the Virtual Improvement Panel, SCHape panel and building safety advocates. The outcomes of this engagement shape the Delivery Plan
- Tenant conference held in October 2022 to consult on the delivery plan, participants discussed any additional support which SCH could provide on the issues they were facing
- Quarterly keep on track meetings between all senior management teams and line managers
- The Executive Leadership Team has oversight of significant contracts, performance, and contractor satisfaction
- Staff Engagement Group (SEG) drive a number of initiatives such as 'SEG on the road'
- HR, Equalities and Remuneration committee receives reports at each meeting on staff wellbeing and absence trends
- Additional damp and mould guidance on the SCH website and new leaflets developed with resident engagement to provide advice to tenants
- A Board member customer complaints champion in place from September 2022
- Transactional and STAR quarterly tracker surveys were carried out on a quarterly basis covering 13 areas The area covered and scores are: response repairs (93%), new tenants (85%), ASB case handling (71%), contact centre call handling (80%), housing options (66%), capital works (89%), safer homes (95%), aids& adaptations (95%), compliant handing (45%), money advice (89%), sprinkler installation (93%), well-being (98%) and estate services (84%). Twelve surveys are undertaken monthly with estate services being conducted on a quarterly basis. In addition to running the thirteen surveys we report overall satisfaction (transactional) based on an aggregated score of the individual service area results. During 2022 the TSM measures were collected and reported in preparation for the new regulatory requirements.

SCH as part of its ongoing engagement with SMBC maintains accountability in the following ways:

- Quarterly ALMO monitoring meetings with SMBC and SCH to monitor performance, delivery plan and risk management
- Annual delivery plan agreed with the Council goes through SMBC scrutiny process and then SMBC cabinet decision-making
- Rolling 5-year management agreement agreed by the Council
- Participation in the Strategic Housing board, building safety task and finish group comprising of board members and Building safety officer group with SMBC colleagues
- A 10-year joint Asset Management Strategy (AMS) between SCH and SMBC.

2.3 Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Housing Operations committee reviews services and has oversight of the energy sustainability and environmental strategies, and receives an annual forestry report on the maintenance of trees on land managed by SCH
- The SCH delivery plan has been developed against a backdrop of capturing the context of the changing housing sector, current economic pressures, and the voice of the customer
- SCH has a strategy in place to deliver net zero emissions, to adopt:
    - an interim target to get all homes to EPC Band C by 2030
    - a fabric-first approaches combined with renewable technologies
    - super-insulated build systems with better energy performance and air tightness

- SCH has developed a Business Sustainability Plan to achieve the 2030 target by -
    - quantifying our existing carbon emissions for business operations
    - measuring the impact on carbon emissions through new blended ways of working
    - agreeing a short-term strategy with the Council for electric vehicles, focusing on expanding charging infrastructure as a priority
    - working to support the Council in the delivery of its Natural Capital strategy

- Better social housing review published in December 2022 has recommendations for social landlords to make social housing fit for the future. The recommendations will be reviewed by the board and incorporated in the delivery plan as required.

2.4 Determining the interventions necessary to optimise the achievement of the intended outcomes

Interventions aimed at better customer experience and outcomes:

- Residents workshop to inform customers how to access the aids and adaptation service.
- Communication campaign to residents to encourage reporting of damp and mould
- Joint work with public health to inform front line health workers how to report and identify damp and mould in both social housing and other tenure types
- Social media trends are used to inform customer experience and interaction, for example using customer registration at SCH portal to access self-help and usage to determine further action to improve customer experience.
- Complaint handling training including compliance with new Housing Ombudsman Code of Guidance delivered to all teams.
- Use of Inclusive Services Register (ISR) to ensure that the services we provide are tailored to the needs of the resident, rather than making assumptions based on a resident's particular circumstances, leading to more fair and equitable access for all residents.
- Actions being undertaken to improve quality of the data and interrogation of systems to provide assurance based on Third-party review of data integrity.

Interventions aimed at improving staff and stakeholder outcomes:

- A framework of management meetings including Executive Leadership Team and Senior Leadership Teams that take account of improving staff and customer outcomes.
- Frontline managers group is a cross-functional group to improve communication and consistent messaging.
- Staff engagement group focusses on staff wellbeing, with a wellbeing calendar with a series of events to help staff.
- Promoting FIKA, a series of online exercises which can be used by individuals and teams to improve wellbeing.

2.5 Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Service restructure to allow greater collaboration across operational areas of business and improved customer outcomes and increasing resilience and range in the Executive Team to enable better organisational decision making
- Formal recruitment, retention, training, and development policies for staff that incorporate annual appraisals of performance against targets that are consistent with the Delivery Plan and corporate objectives.
- SCH has a training plan covering both mandatory and optional training for all staff, which includes regular refresher training on key areas such as Protecting Information, Data Protection, Equalities and Inclusion and Safeguarding.
- Regular PDR reviews for managers to support better performance management.
- Access to webinars on various subjects to support learning.
- Promoting Apprenticeship schemes across business areas to develop talent internally.
- The Board has oversight of the skills mix of its membership and reviews this regularly, tailoring recruitment accordingly. The Board members go through annual appraisals of their own contribution and bi-annual 360-degree feedback is provided to enable a high-performing board.

2.6 Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- Board reports are available for the public to view on the SCH website.
- Statutory accounts are published on the website.
- Finance publishes expenditure over £250.
- Public sector equality duty statement published on the website.
- Publish the gender pay gap report annually.
- Compliance with the Freedom of Information framework.
- Performance information including average wait times for different types of accommodation published on the website.
- Compliance with the Housing Ombudsman Code of Guidance published on the website.
- Information presented in accessible formats.

2.7 Managing risks and performance through robust internal control and strong public financial management

- As a part of SCH's risk management approach the Audit and Risk Committee monitors the effective development and operation of risk management and considers compliance with the Risk Management Policy and Procedure. Annual report is presented to full Board on risk management in June each year
- A formal programme of internal audit work, carried out by officers independent of the Executive Leadership Team reports review processes and internal control; the recommendations are agreed by the Executive Leadership Team and are considered in detail by the Audit & Risk Committee
- Financial monitoring goes to the SCH Board on a quarterly basis so that all members take responsibility for financial oversight
- Quarterly financial monitoring reports to the Board to highlight any anticipated unplanned significant expenditure.

3. REVIEW OF EFFECTIVENESS

SCH undertakes an annual review of the effectiveness of its governance framework, including the system of internal control. The outcomes of the review are considered by the Chief Executive with support from the relevant officers, as well as the Audit and Risk Committee and the Chair. Once approved, the Annual Governance Statement is published alongside the Statement of Accounts.

3.1 ASSURANCE FROM MANAGEMENT

All Executive Directors have provided assurance that they are satisfied that staff within their sphere of control are compliant with the governance framework including Standing Orders, Rules for Contract, Financial Regulations, Health and Safety and Risk Management.

Each senior manager has also completed an individual self-assessment of their own area of control, highlighting any areas of concern or requiring further action to strengthen the control measures to safeguard company assets. Following this process, a detailed action plan has been developed, to further strengthen areas where Executive Directors highlighted any gaps in the control measures.

3.2 OTHER INTERNAL ASSURANCE

3.2.1 AUDIT SERVICES

Internal Audit reviews were carried out remotely throughout the year in accordance with the annual internal audit plan, and recommendations for improvement were made and shared with ELT and the Audit and Risk Committee. Implementation of audit recommendations was tracked using an online recommendation tracking system and delays in implementation were escalated to senior management and reported to the Audit and Risk Committee.
There were no serious concerns identified during the audit reviews.

3.2.2 RISK MANAGEMENT

Responsibility for the strategic oversight of risk lies with the Audit & Risk Committee, with the Chair of the Committee taking responsibility for reporting any issues of concern to the SCH Board. Responsibility for operational risk management is owned by the Executive Leadership Team. The corporate and operational risk registers are monitored by both the Executive Leadership Team and the Audit & Risk Committee on a quarterly basis. The registers detail the identified risks and the mitigating actions in place to deal with them, as well as clearly defined management responsibilities for their identification, evaluation, and control.

In addition, there are defined mechanisms for shareholder (SMBC) oversight of key risks through the governance framework including the quarterly monitoring board and the strategic housing framework.

3.2.3 PERFORMANCE MANAGEMENT

There are robust strategic and business planning processes which have included contributions from staff at all levels. An agreed suite of performance indicators (both local and national) is in place at team and corporate level, and these are monitored through regular reporting to management and the SCH Board, as well as by the council on a quarterly basis. Further reporting also takes place against the delivery plan, in respect of objectives, targets and outcomes. The Business Intelligence function has been strengthened as part of the restructure.

Data integrity has been identified as a key corporate focus area and detailed interventions and actions plans have been put in place to improve the quality of data captured as well as linking multiple data systems to enable easy integration of data to inform better decision-making.

3.2.4 INFORMATION GOVERNANCE

SCH's approach to information governance is underpinned by policy, guidance, and training. This includes a full suite of policies based upon the information security standard BS ISO/IEC 27002:2013 and mandatory GDPR and Protecting Information training courses which all employees must complete (refresher every 2 years). There are clear management and accountability structures in place, which are outlined in the Information Governance Framework.
The SCH Governance Team works closely with the SMBC Information Governance Team to ensure full compliance with Freedom of Information and data protection requirements. Oversight of the internal governance arrangements is provided by both the Executive Leadership Team and Board, any failure to comply with statutory compliance with Companies House or Financial Conduct Authority would result in notifications from the relevant authorities. All data breaches were reported, investigated, and signed off by the relevant Executive Director. Learning points were identified from breaches, including staff being reminded of the need to be vigilant to avoid data breaches caused due to human error.

3.2.5 FINANCIAL MANAGEMENT

SCH's Standing Orders, Rules for Contracts and Financial Regulations are agreed annually by the Board (last updated on 25 July 2022). This document incorporates legal requirements and reflects CIPFA guidance. SCH continues to report its budget and savings proposals via SMBC's Budget Strategy Group to ensure Council oversight and challenge of potential changes.

There is a robust financial monitoring process to identify non-compliance. Where this occurs, such as a forecast overspend, there are clear rules for escalation in place. Any forecast overspend is reported to the SCH Board through a quarterly financial monitoring report and where possible a solution is recommended and agreed.

There was a forecast year-end overspend identified in the first quarter of 2022/23 mainly as a result of inflation factors relating to utility costs, pay and contract costs which are outside of SCH's control. This has been reported to the Board as part of the quarterly finance reports and will be funded from SCH's reserves. The budget for 2023/24 has been rebased to include provision for these unexpected 2022/23 inflation increases.

3.2.6 PROCUREMENT

Procurement services are provided to SCH by the Council. Systems are in place for compliance with the SCH Standing Orders, Rules for Contract and Financial Regulations.

Spend monitoring outcomes are reported on an on-going basis to senior management and the Audit and Risk Committee, to ensure appropriate levels of challenge within the monitoring process. ELT now reviews all procurement approval documents to maintain tighter financial controls. Key risks have been recorded in the Procurement risk registers and are managed according to the risk profile.

3.2.7 EQUALITIES FRAMEWORK

Equality, Diversity, and Inclusion (EDI) are central to SCH's core values of Honesty, Excellence, Achieving together, Respect and Transparency (HEART). A key commitment that underpins everything we do is to 'Be Inclusive.' This means working in ways that ensure that everyone is

valued, that their contributions matter and that people are able to realise their full potential regardless of their background, identity, or circumstances.

SCH meets its moral and legal responsibility to ensure that our business continues to meet the requirements of the Equality Act 2010. The delivery of our EDI strategy and action plan is fully supported by the Board and the Executive Team who regularly review progress and provide constructive challenge. Decision-making reflects EDI issues including completion of formal Fair Treatment Assessments for significant changes in policy and processes. Our employment policies and practices reflect well-recognised best practice where appropriate.Public accountability for achievements is demonstrated through the publication of Gender Pay Gap statistics and the Public Sector Equality Duty annual report that focusses on our role as a social landlord.

SCH has had no prosecutions or enforcement notices issues against it for breach of the Equality Act 2010 nor has the organisation been the subject of any external investigations relating to equality issues. There have been no adverse findings around equality issues by the Housing Ombudsman.

3.2.8 HEALTH AND SAFETY

Health and safety performance reports are presented on a regular basis to the Executive Leadership Team and the SCH Full Board. The reports provide an overview of key performance, including the number of reported accidents/incidents, commentary on key aspects of health and safety including legislative updates. As such, the reports confirmed that:

- Health and safety arrangements are in place within SCH, but with some areas of improvement required.
- There have been no regulatory interventions or enforcement action taken against the SCH in the last year

Services and teams have access to SCH health and safety policies and guidance which have been produced to assist managers and employees to comply with health and safety legislation and statutory requirements. A programme of audits and inspections was in place in 2022/23. To provide assurance on building safety, the Board has formed a task and finish group that receives regularly detailed reports. This feeds into a new Building Safety Assurance Board, formed by the Council and chaired by the Director of Economy and Infrastructure, as the Accountable Person.

Over the last year, SCH has strengthened its health and safety governance arrangements. A new Safety Leadership Group, chaired by the Chief Executive, meets quarterly and receives reports from the Building and Resident Safety Group and the Occupational Health and Safety Group, each chaired by an Executive Director.

3.3 ASSURANCE FROM CUSTOMERS (COMPLAINTS AND COMPLIMENTS) AND OMBUDSMAN COMPLAINTS

The Housing Ombudsman Code of Guidance for complaint handling was updated in April 2022 and a self-assessment against the revised guidance was completed and submitted to Housing Operations Committee for approval in September 2022. The complaints policy and processes were updated to achieve compliance with the revised guidance.

Systems are in place for monthly monitoring of complaint handling compliance and follow up and the Executive Directors have monthly reports on complaints within their service areas.

All complaints are monitored by the Governance Team and any issues escalated to the relevant Executive Director and Executive Leadership Team.

Complaints and compliments:

SCH received 355 formal complaints and 281 compliments during 2022-23.

The majority of complaints were resolved at stage 1 of the complaints process with 5 percent progressing to stage 2.

3.4 ASSURANCE FROM EXTERNAL INSPECTIONS

3.4.1 EXTERNAL AUDIT

The last "Audit Findings" report issued by RSM UK Audit LLP was presented to Audit and Risk Committee on 3rd July 2023. The report was positive, did not identify any control weaknesses and made no recommendations for management to consider.

RSM confirmed that in their opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

4. CONCLUSION AND EVALUATION

As Chair and Chief Executive, we have been advised on the results of the review of the effectiveness of SCH's governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment, and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We are also satisfied that over the coming year, SCH will have recruited successfully to the vacant board member post to further strengthen our strategic leadership. We also commit to implementing any outstanding actions identified as part of this annual review of governance.

Fiona Hughes, Chief Executive
Solihull Community Housing

Richard Hyde, Board Chair
Solihull Community Housing

Meeting of the Board

Report title:	Health and Safety Quarterly Report: April - June 2023 (Quarter 1)	
Meeting date:	4 September 2023	
Report from:	Mark Wills	SMBC Health, Safety & Risk Manager
Report author/ lead officer:	Dan Dalton 07467688389	SMBC Senior Health and Safety Advisor dan.dalton@solihull.gov.uk
Report type:	Open	
Decision type:	Assurance	~~Approval~~ Information

1. Report overview/purpose

1.1. The purpose of this report is to provide SCH Executive Leadership Team (ELT) and 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 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, Safety & Risk Service (HSRS) role is to provide health and safety competent assistance, advice and guidance to help the SCH Leadership Team to fulfil their health and safety responsibilities.

2. Recommendations

The Board is recommended to:

(i) NOTE the contents of this report.
(ii) NOTE Appendix 1 - Legislative update.
(iii) NOTE Appendix 2 - HSRS Health and Safety Support Summary: Q1 2023/24.
(iv) NOTE Appendix 3 - Accident/Incident Reporting Analysis Q1 2023/24.

3. Background/context

The SCH Board holds ELT accountable for the effective management of health and safety. Quarterly health and safety performance reports assist with this by providing key information on how SCH are managing health and safety for employees, agency staff and contractors, and residents. Key areas for measuring health and safety performance include accident and incident reporting data, audits, inspections and levels of training and risk assessments completed.

4. Matters for consideration

4.1 **Regulatory Interventions**: There were no Health and Safety Executive (HSE) visits made to SCH at the time of writing this report or any regulatory interventions this quarter.

4.2 **Legislative/Guidance Updates**: A legislative update has been provided in Appendix 1.

4.3 **Building Safety Compliance**: A number of health and safety working groups and committees are in place to oversee building safety compliance in SCH. This includes the Building and Resident Safety Group and Capital Project Board (Officers) and the Building Safety Task and Finish Group (Board Members). SMBC also have a separate Building Safety Assurance Board in place which is led by the Director of Economy and Infrastructure who fulfils the role of Principal Accountable Person under the Building Safety Act (on behalf of the Council as the overall accountable body).

4.4 The Head of Building Safety in SCH has produced a regular building safety composite report to provide an update on compliance actions and adherence to the Building Safety Act (including secondary legislation being introduced). It is understood that this reporting format is currently being reviewed.

4.5 **Health, Safety & Risk Service (HSRS) – SMBC**: The SMBC Health, Safety and Risk Service continue to provide professional health and safety support to SCH. The two principal contacts are Mark Wills, Health, Safety and Risk Manager, and Dan Dalton, Senior Health and Safety Advisor. Operational support is also provided, where required, by Bruce Joubert and Sharon McDermott, Health and Safety Advisors.

4.6 The support provided by HSRS includes:

- Providing health and safety competent advice
- Assisting with and reviewing risk assessments, policies and other documents.
- Attending site meetings following identification of potential health and safety issues
- Face-to-face drop-in sessions and briefings

- Support with assigned health and safety actions arising from the occupational health and safety plan, audits, accident investigations or ad-hoc.
- Attending and contributing to health and safety related meetings at all levels, both internal and external.
- Monitoring incident and accident investigations
- Carrying out health and safety inspections and audits.

4.7 A more detailed summary of support is provided in Appendix 2.

4.8 **Occupational Health and Safety Management Audits:** A review of SCH service areas was undertaken in Q1 2023/24 and a draft audit schedule was created which covers the management of health and safety and processes. The schedule also includes proposed health and safety inspections of workplaces (identification and evaluation of health and safety hazards). The audit process will begin July 2023 onwards, starting with Out of Hours Service, Capital Projects and the Contact Centre. The audit process will be supportive to assist managers to help them to identify gaps in their current management of health and safety and support provided with any subsequent actions.

4.9 **Escalation process**: Issues and concerns raised from the relevant health and safety groups have a formal escalation process to the ELT Safety Leadership group.

4.10 **Accident/Incident Reporting Analysis Q1 2023/24:** The generic term incidents include all accidents, abuse, near misses, fire and any other health and safety related incident reported on the online reporting system, Assure.

4.11 Quarter 1 2023/24 saw a reduction in the overall number of incidents reported, 22, compared to 30 reported in last quarter. The decrease appears to be due to a reduction in the amount of staff/agency/other related incidents reported. This may be due to underreporting and it is therefore recommended that staff and managers are reminded about the importance of reporting incidents, accidents and near misses.

4.12 Out of the 4 reported incidents involving staff, agency workers and contractors, there was 1 accident, 2 abusive/violent incidents and 1 dog attack. 2 of the incidents were work-related - 1 accident (manual handling injury by agency worker) and 1 dog bite (occurred whilst employee was posting a letter through a tenant's letter box). It was noted that no verbal abuse incidents were reported by employees in the quarter despite regular conversations and reminders being issued about the importance of reporting incidents. It is therefore advised that a further reminder is issued to staff and managers.

4.13 All tenant incidents reported to SCH are recorded on the online system. This can mean that not all incidents reported involved a fault or were in connection with SCH's work activities. Complex incidents often need investigating to establish the root cause or to

determine if the incident occurred at all. Further information is included in the accompanying appendices.

4.14 There were 18 tenant reported incidents this quarter, the same figure as the previous quarter. These included 15 accidents, 1 fire related incident, 1 property security/access incident (tampering with a sprinkler) and 1 near miss. The fire related incident involved a fire in a residential property thought to be caused by smoking, which tragically resulted in the death of a tenant.

4.15 Out of the total of 18 tenant incidents reported this quarter, 1 incident was deemed to be work related, as the condition of the premises where the accident happened was a result of SCH activity. The work-related incident was an accident and was also reported to the HSE under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) as the injured tenant was taken directly to hospital for treatment.

4.16 17 of the 18 tenant incidents reported do not appear to be a direct result of SCH work activity, including slips, trips and falls, a flood due to sprinkler damage, a fire and a falling tree branch striking a person.

4.17 A full breakdown of incidents is attached in Appendix 3.

5. Supporting the SCH Delivery Plan

5.1 Improving health and safety compliance within SCH helps ensure staff and residents are safer and morale is improved, legal action is avoided and adverse financial implications are reduced. This enables individuals and SCH as an organisation to be more resilient and fulfil the goals of the Delivery Plan.

6. Consultation and engagement

6.1 This is an update report and therefore consultation is not appropriate with customers. Stakeholders are consulted regularly at scheduled SCH Health and Safety meetings at all levels and this helps shape the content and direction of this report.

7. Financial implications

7.1 Failure to comply with Health and Safety legislation can be costly. Direct costs include calculable costs arising from accidents or enforcement action e.g. sick pay, repairs, fines and legal fees, and indirect costs include lost time, distraction costs, reduction in productivity.

8. Legal implications

8.1 The Health and Safety at Work, etc. Act 1974 and regulations made under it ensure that organisations who are not compliant can face preventive, punitive and compensatory actions. This can be through criminal or civil courts, or both.

9. Risk implication

9.1 SCH have a risk management system which includes corporate and operational level risks, including health and safety risks. Action is taken where necessary, which along with current good practice will reduce risk in terms of safety, legal and financial.

10. Equalities implications

10.1 Equality and diversity are routinely considered by SCH when dealing with health and safety issues, for example when assessing suitable storage areas for mobility scooters.

11. List of appendices

Appendix 1 **-** Legislative/Guidance Updates
Appendix 2 **-** HSRS Health and Safety Support Summary: Quarter 1 (April – June 2023).
Appendix 3 **-** Incident/Accident/Near Miss Reporting Analysis Quarter 1 2023/24 April – June 2023

12. Background documents

N/A

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Legislative / Guidance Updates – July 2023

1. Social Housing (Regulation) Act 2023

1.1. The new Social Housing (Regulation) Act received Royal Assent on 20th July 2023 and is now in statute. This follows many months of debate in Parliament.

1.2. The Act has three core objectives which are:

- to facilitate a new, proactive consumer regulation regime
- to refine the existing economic regulatory regime
- to strengthen the Regulator of Social Housing's (Regulator) powers to enforce the consumer and economic regimes.

1.3. The Act and further secondary legislation, once enacted, will drive forward significant change in holding poor landlords to account, placing the needs of tenants at the heart of government reforms to improve the quality of life for those living in social housing across the country.

1.4. The changes will include:

- Strengthening the Regulator of Social Housing to carry out regular inspections of the largest social housing providers and the power to issue unlimited fines to rogue social landlords
- Additional Housing Ombudsman powers to publish best practice guidance to landlords following investigations into tenant complaints
- Powers to set strict time limits for social landlords to address hazards such as damp and mould
- New qualification requirements for social housing managers
- Introducing stronger economic powers to follow inappropriate money transactions outside of the sector

1.5. SMBC and SCH have already started work on the preparedness for housing regulation which involves a number of services across both organisations.

2. Building Safety Key Building Information (KBI) – Registration Portal

2.1. As part of the process to register high-rise residential buildings in England, there is a requirement to supply KBI to the Building Safety Regulator. KBI is a set of information needed about each high-rise building to assess and properly manage the risks of fire spread or structural failure. It can be submitted at the same time as completing the application to register a building or at a later date.

2.2. KBI includes information on:

- Fire and smoke controls
- Fire doors
- Energy supplies, storage and generation
- Type of structure
- Roof
- Staircases
- External walls
- Building use
- Building works since the original build
- Connections

2.3. All registration applications and KBI must be completed on the portal by 1st October 2023. Guidance is also available on GOV.UK published by the HSE in May 2023: Giving BSR structure and fire safety information (key building information) - GOV.UK (www.gov.uk)

3. Guidance on registering buildings with multiple structures

3.1. The Department for Levelling Up, Housing and Communities (DLUHC) has published guidance to help register buildings with multiple structures. The guidance can be found via the flowing link: Criteria for being a higher-risk building during the occupation phase of the new higher-risk regime - GOV.UK (www.gov.uk)

3.2. If your building has two or more structures that are attached, you need to assess the 'independent section' criteria to see if they count as one building or should be registered separately.

3.3. An “independent section” is a section that:

- has access, which can be reached from anywhere in the section, for persons to enter and exit the wider building; and either;
- has no access to any other section of the wider building; or only has access to another section of the wider building which does not contain a residential unit.

4. Regulating the building control profession

4.1. The Code of Conduct for Registered Building Inspectors (RBIs) and Professional Conduct Rules for Registered Building Control Approvers (RBCAs) has now been published.

4.2. All Building Inspectors, public and private sector, must comply with the Code of Conduct coming into force in April 2024. It sets out the standards of professional conduct and practice required of individuals performing their role as a building inspector registered with the Building Safety Regulator.

4.3. The Professional Conduct Rules apply to Registered Building Control Approvers. They set out standards of professional conduct and practice expected of Building Control Approvers in the private sector registered with Building Safety Regulator coming into force in April 2024. For further information: Building inspector code of conduct - Building safety - HSE and Professional conduct rules - HSE

5. Planning Gateway One (PGO) updates

5.1. The Planning Gateway One guidance has been published on the Planning Portal and the recent webinar is now available on demand. Planning Gateway 1 requires a fire statement to show that fire safety has been considered at the very earliest stage of the construction process for high rise residential or educational buildings over 18 metres in height.

5.2. The guidance published on the Planning Portal website ensures understanding of the PGO service and supports the greatest level of consideration for fire safety through the planning process.

5.3. Following the webinar on PGO, those who were on the waiting list or unable to attend can now download and watch the session by registering at: Planning Gateway One - Webinar (planninggatewayoneinsights.co.uk). The webinar can then be accessed via: GEM 3.9 | Log in (planninggatewayoneinsights.co.uk).

6. The Building Safety (Responsible Actors Scheme and Prohibitions) Regulations 2023

6.1. On 4th July 2023, the Regulations came into force bringing into effect the Responsible Actors Scheme for residential developers (the Scheme) as part of secondary legislation following the Building Safety Act 2022 (the Act).

6.2. The aim of the Scheme is to ensure that developers take action to remediate critical safety defects in residential buildings that they developed or refurbished.

6.3. Sections 126 to 129 of the Building Safety Act established the right for the Secretary of State to create schemes to ensure developers remedy defects in buildings and contribute to the cost of remedying defects. The Scheme imposes prohibitions on development where eligible developers fail to join the scheme or fail to rectify building safety risks for which they are responsible.

6.4. Once a member of the Scheme, the developer is obliged to remediate, or pay for the remediation of, life-critical fire safety defects in residential buildings. The Scheme member must also refund any grant money already spent on remediating fire safety defects in relevant buildings. Members will also be required to enter into the developer remediation contract. Where a developer is eligible to be a member of the Scheme but has not joined, it will be prohibited from carrying out major development of land.

6.5. An eligible developer that fails to join the Scheme is also subject to building control prohibitions meaning the developer will not be able to give or receive

relevant notices, certificates and applications. There are some limited exceptions to this rule, for example in relation to emergency repair work.

6.6. The Scheme does not apply to registered providers of social housing (or any of their wholly owned subsidiaries). This does mean that where registered providers have entered into joint ventures with developers, they might be caught. It also appears that local authorities' subsidiary local housing companies may be caught by the Scheme.

7. Health and Safety Executive Guidance: Electrical Safety on Construction Sites HSG141 (Second Edition)

7.1. Electrical Safety on Construction Sites HSG141 (Second edition) has been published by HSE. It explains what to do to reduce the risk of accidents involving electricity and includes advice on safe working practices for everyone working in the industry.

7.2. Practical information is given to help dutyholders understand what the requirements of the relevant legislation may mean in practice. This includes the Construction (Design and Management) Regulations 2015 (CDM 2015), Electricity at Work Regulations 1989 (EAWR 1989) and Provision and Use of Work Equipment Regulations 1998 (PUWER 1998).

7.3. The updated guidance is aimed at those who control or influence the design, specification, selection, installation, commissioning, maintenance or operation of electrical systems and equipment during construction activities in the UK.

8. Electrical equipment in outdoor hospitality areas

8.1. The HSE is working with the hospitality industry and local authority enforcement officers to increase awareness of electrical safety standards following the death of a 7 year old boy, Harvey Tyrrell, who was electrocuted after he touched unsafe lighting in the garden of a pub in Harold Wood, Essex in September 2018.

8.2. The HSE sates venues should arrange for a competent person to carry out electrical installation work, only using lights and heaters specifically designed for outdoor use, and regularly checking equipment for damage or water

ingress. The fixed installation and electrical appliances should be maintained in accordance with the Electricity at Work Regulations 1989.

8.3. As the HSE doesn't regulate the hospitality sector, the hospitality sector has been advised to report any concerns about electrical safety to the relevant local authority.

9. LPG forklift truck fire risk: safety notice issued

9.1. The HSE has issued a safety notice after becoming aware of a number of fires on liquefied petroleum gas (LPG) powered forklift trucks and other similar vehicles that have occurred during start-up.

9.2. The build-up of deposits in fuel systems, particularly, the vaporiser units of LPG-powered vehicles, has led to a number of fires. The HSE have stated that operators should:

- review their safe system of work in relation to the use of all LPG-powered lift trucks and similar vehicles
- provide those operating vehicles with information, instruction and training about the hazards raised in the alert
- park LPG vehicles in well-ventilated areas free from flammable material, particularly when parking overnight or for longer periods

10. HSE targeted inspection initiative – Respirable Crystalline Silica (RCS) in the manufacturing sector

10.1. The HSE are continuing their campaign to raise awareness about the dangers of dust and respiratory illnesses and diseases. HSE inspectors are visiting manufacturing businesses to ensure workers' health is being protected from the risks of respirable crystalline silica (RCS). Inspectors are checking that employers and their workers know the risks and have control measures in place to prevent exposure to RCS which can cause irreversible lung disease if breathed in over time.

10.2. Silica is a natural substance found in varying amounts in most stones, rocks, sand and clay. These materials may contain large amounts of respirable

crystalline silica (RCS), which can be fatal if particles are breathed in over time.

10.3. Silica particles are produced during many manufacturing tasks. Brick and tile manufacture and cutting, stone working and foundry work can all produce silica particles in the airborne dust which are too small to be seen. Regularly breathing in this dust over a long time can cause irreversible, life-changing lung diseases.

11. Serco fined £240,000 after man killed in crash with litter picking vans

11.1. Serco has been fined £240,000 after a man was killed when the lorry he was a passenger in crashed into litter picking vans blocking a lane of a dual carriageway in Norfolk.

11.2. Tony Skerratt, 44, from Enfield, was in the passenger seat of a Wren Kitchens lorry when it hit the vans, which were obstructing the inside lane of the A11 near Attleborough, between Norwich and Thetford. The incident happened at around 12.45pm on February 26, 2019.

11.3. The vans had been moving along the road slowly, stopping from time to time to allow bags of rubbish to be collected. The litter picking was being carried out by Serco employees. Serco had been contracted by Breckland District Council to carry out the work.

11.4. An investigation by the Health and Safety Executive (HSE) found Serco Limited failed in its health and safety management of litter picking activities on high-speed dual carriageways. It had not provided its employees with appropriate work instructions to ensure the litter picking activity was safe. It also failed to supervise and monitor the high-risk activity to ensure it was carried out safely.

12. Aircraft seat manufacturer fined £660k after worker fell through roof

12.1. A leading manufacturer of aircraft seats has been fined £660,000 after one of its employees suffered horrific injuries when he fell through a roof at a site in South Wales.

12.2. Safran Seats GB Limited was carrying out work to vacate its premises in Llantarnam Industrial Park in Cwmbran when the incident happened on 19 May 2020. Kevin Lewis, who was 62 at the time, suffered multiple broken bones, including eight to his ribs, his collar bone, as well as a fractured skull. He had been dismantling and removing a spraying booth when he fell more than seven feet through its roof.

12.3. An investigation by the Health and Safety Executive (HSE) found inadequate planning of the work at height meant suitable equipment wasn't used and insufficient instruction and training had been given to those carrying out the work.

Appendix 2 - HSRS Health and Safety Support Summary: Quarter 1 (Apr 2023 – June 2023).

The following is a summary of key areas of health and safety support provided by HSRS to SCH during Quarter 1 (April 2023 - June 2023).

- Support has been provided with actions from the health and safety improvement plan for Occupational Health and Safety, including lone working and personal safety risk assessments, full manual handling assessments and activity risk assessments.

- Support has been provided to the engagement team covering the health and safety arrangements and risk assessment for the volunteer tenant building safety advocates (BSA) for the high-rise blocks. This follows an incident where one BSA was physically assaulted whilst performing their role. This support included discussing the role and identifying hazards, then discussing appropriate controls to minimise the risk to BSAs. The result was a recorded risk assessment that was reviewed by HSRS.

- Advice and support has been provided to the Responsive Repairs team relating to the investigation of a serious RIDDOR reportable accident involving a fall from height whilst replacing fascia on a garage block.

- Advice and support was provided during a face-to-face meeting at Kingshurst House following identification of structural issues to the walkway. This advice focused on preventing access to the walkway therefore reducing the risk to residents and members of the public.

- A number of face-to-face drop-in sessions have been undertaken at both SCH office locations to further help and advise staff on all matters relating to health and safety, including how to use the on-line Evotix Assure system.

- Providing face-to-face support visits for Saxon Court, to help managers to complete their audit actions. This included resolving concerns regarding an accessible WC and support with documenting health and safety arrangements.

- Advising on health and safety implications of mobility scooters, e-bikes and e-scooters, and suggested policy considerations relating to the different legal and moral status of these items and potential consequences for SCH. SCH then reviewed the current mobility scooter policy, carried out research into what other ALMOs and housing associations are doing, and are having discussions between different teams with regards to updating the current policy.

- General support and advice within SCH to improve their health and safety arrangements and risk assessments, for example facility management of community halls.

- Attending and contributing to the monthly Building and Resident Safety and Capital Projects Board meetings and quarterly Occupational Health and Safety meetings.

- Overseeing the recording of incidents, the quality of incident investigations and production of incident data.

- Attending the West Midlands Social Housing Health and Safety Group meetings and providing feedback on key learning points.

- Providing professional health and safety advice on draft policies produced by SCH.

- Ongoing support and advice on various health and safety work-related related topics and input into revised governance arrangements.

Solihull Community Housing

Shaping our neighbourhoods

Incident/Accident/Near Miss Reporting Statistics

Quarter 1 2023/24
April – June 2023

The following statistics include:

- Work related incidents to employees, agency staff and others.
- Resident safety - Incidents reported by residents.

Introduction

An incident is considered to be 'work-related' if any of the following played a significant role;

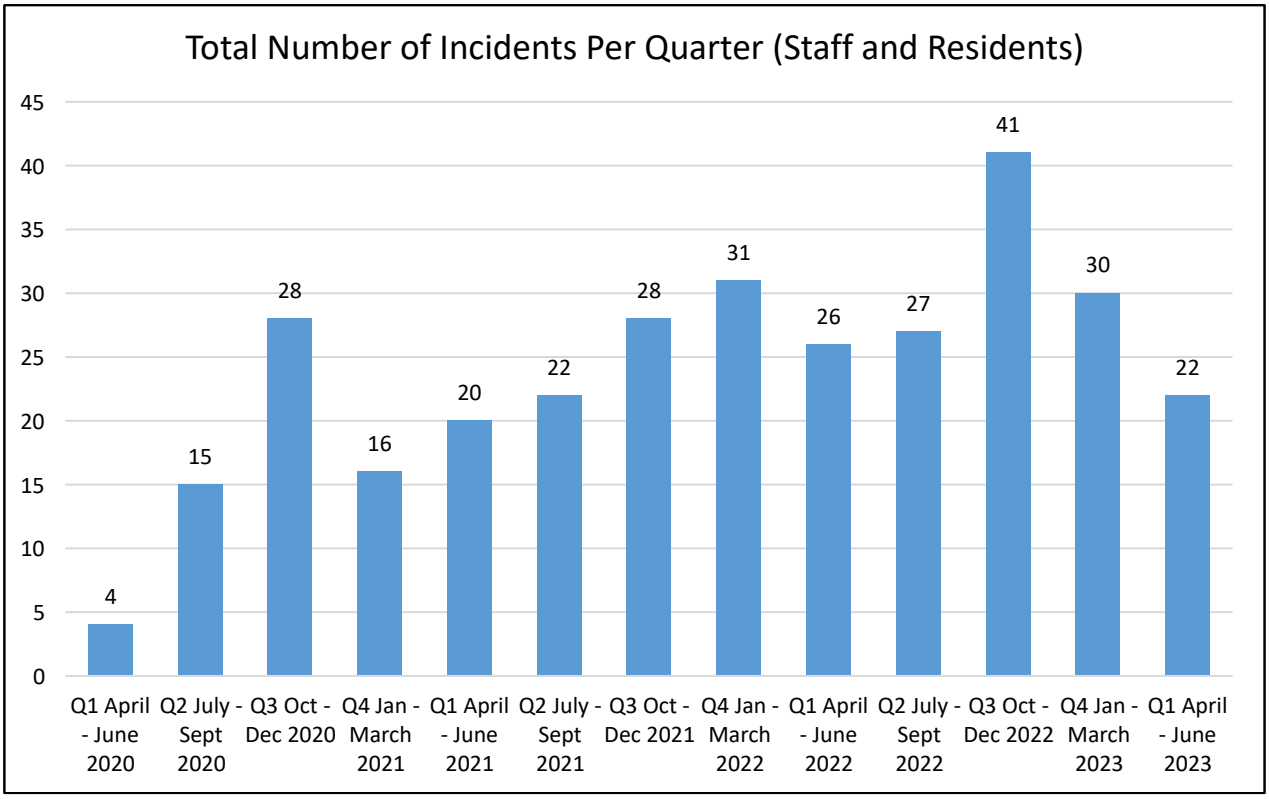
- the way the work was carried out;
- any machinery, plant, substances or equipment used for the work or
- the condition of the site or premises where the incident occurred.

Certain types of incident are reportable to the Health and Safety Executive (HSE) under the **Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (RIDDOR).**

Incidents is a collective term and are categorised into 6 categories, see table below:

Type of Incident Recorded	Definition of Incident
Accidents	• Any unplanned event that results in injury or ill health to employees and tenants, where SCH has responsibility for cause of accident.
Near Miss Events	• Any unplanned event that did not result in injury, illness or damage but had the potential to do so whether or not as a result of compensating action.
Violent / Abusive / Behavioural Incidents	• Any incident in which a person is abused or threatened either physically, verbally or in writing or assaulted in circumstances relating to their work. • Any incident involving the behaviour of an adult or customer in a social housing or care setting where an employee is injured.
Diagnosed Occupational Diseases	• Specified Diagnosed Occupational Diseases (Reportable under RIDDOR) contracted directly through work related activities.
Fire or Property Related Incidents	• Any fire or property related incidents including security, vandalism, collapse or failure of building structure or equipment damage. • The exposure of hazardous substances / materials under COSHH (The Control of Substances Hazardous to Health Regulations) including asbestos or legionella.
Environmental Incidents	• Any incident which solely impacts on the environment. This includes discharge, drainage or damage to flora or fauna and spillages.

Total number of Incidents Reported by Quarter



Headlines Q1 2023/24:

- There was a total of 22 incidents reported this quarter. There appears to be a significant reduction in incidents reported involving employees, staff and others.
- 4 incidents involved employees, agency staff and others.
    - 1 Accident
    - 2 Abuse/Threat/Violent Incidents
    - 1 Dog bite

18 incidents were reported by tenants, the same as the previous quarter. 15 were accidents, 1 fire related incident, 1 security/access incident (tampering/vandalism) and 1 near miss

3 incidents were work related or potentially involved a fault. All 3 were accidents (including 1 RIDDOR reportable incident where the injured tenant was taken to hospital)

- 17 of the 18 tenant incidents reported do not appear to involve a fault, including 14 accidents, 1 fire related incident, 1 security/access incident and 1 near miss.

Solihull Community Housing

Shaping our neighbourhoods

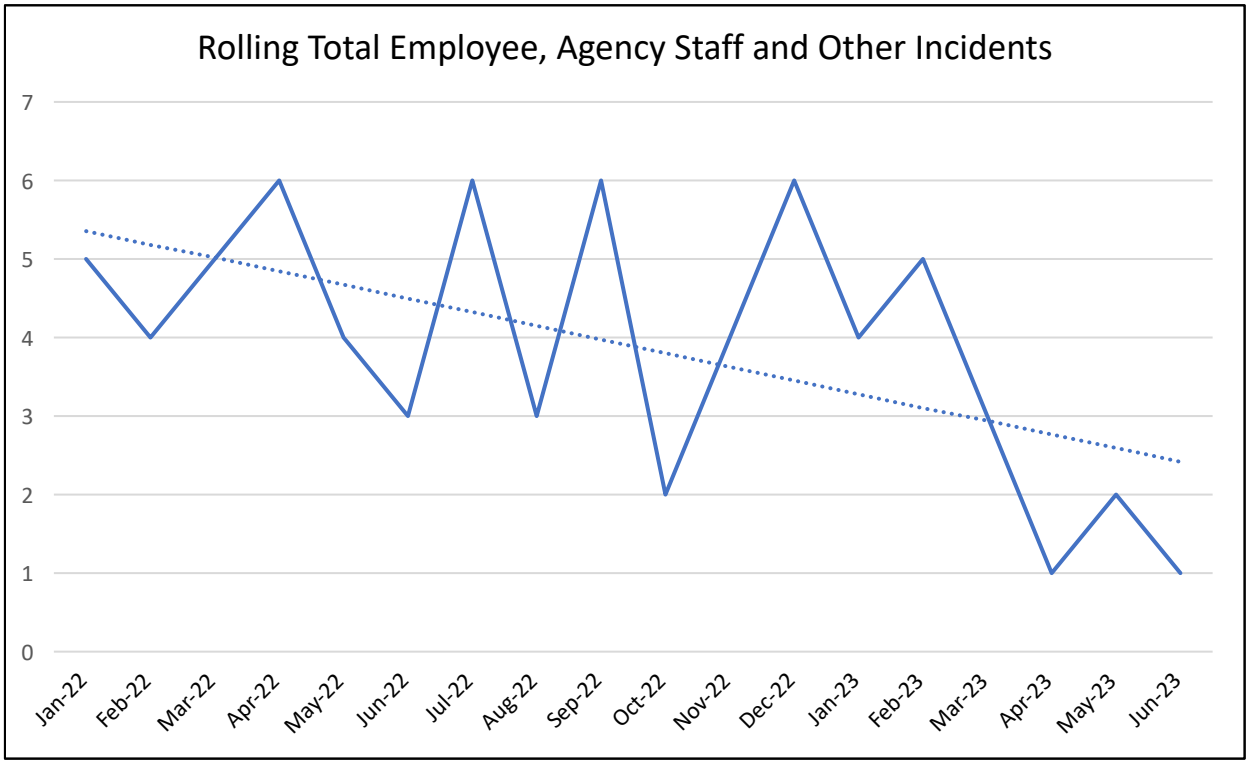
Occupational Health and Safety

Incident Statistics for Employees, Agency Staff and Others

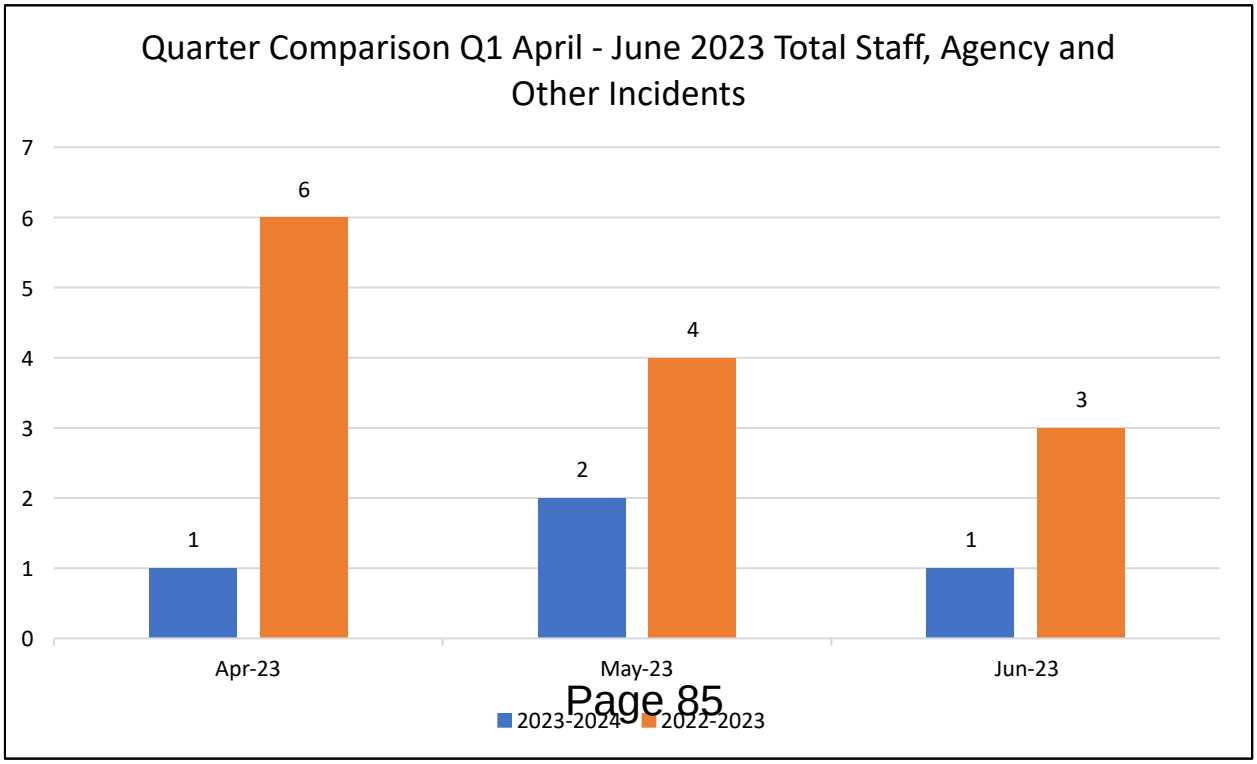
Quarter 1

April – June 2023

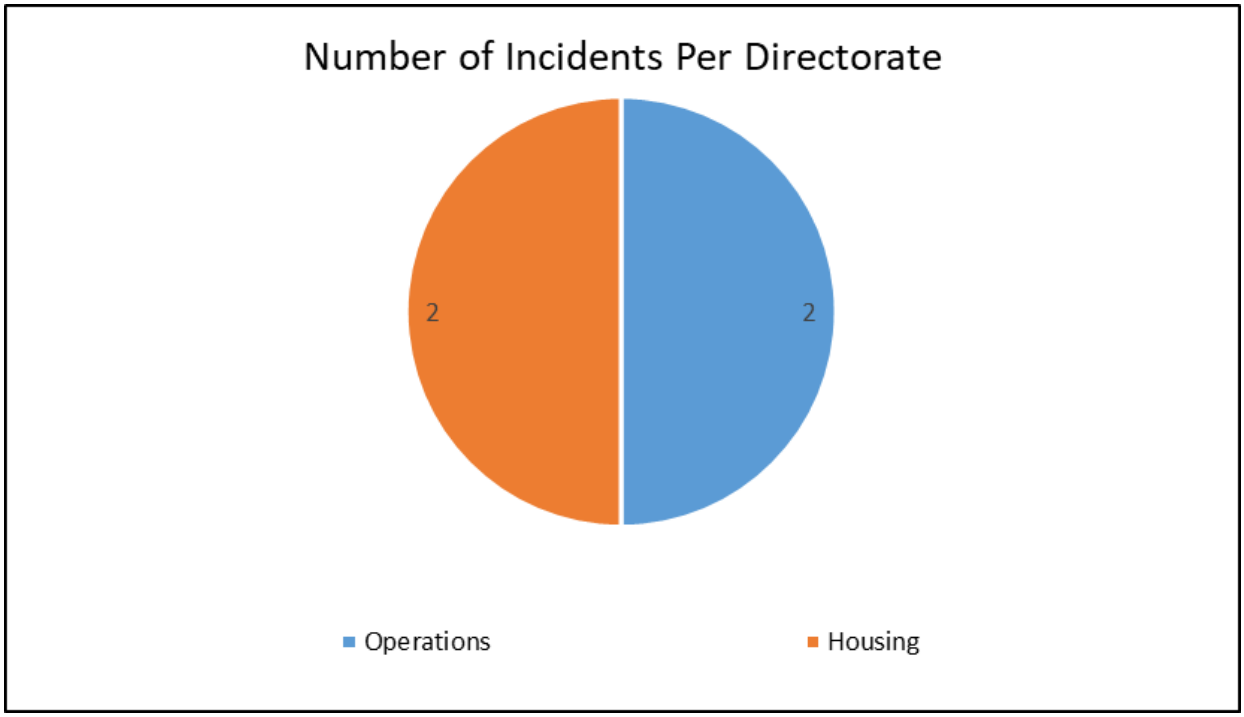
Rolling Total of Incidents

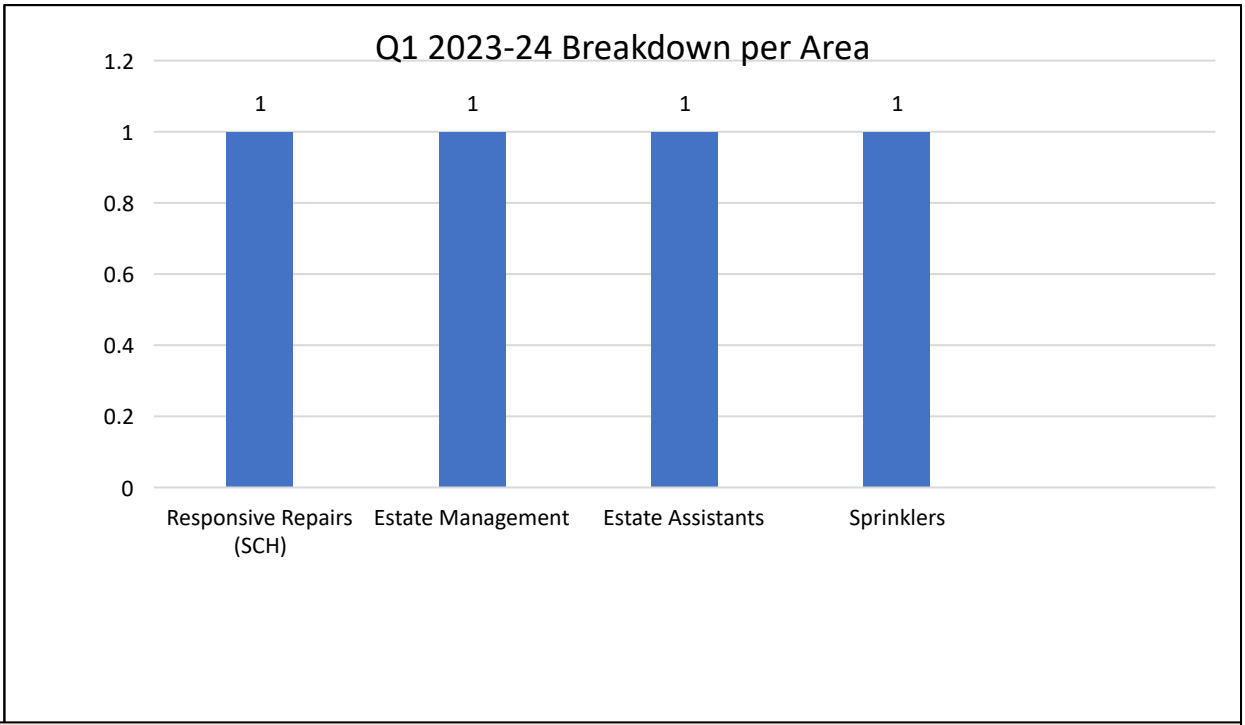


- The graph above shows employee, agency staff and other incidents over a 12 month rolling period, with the addition of a trend line, showing a downward trend.
- The graph below compares this quarter with Q1 2022/2023



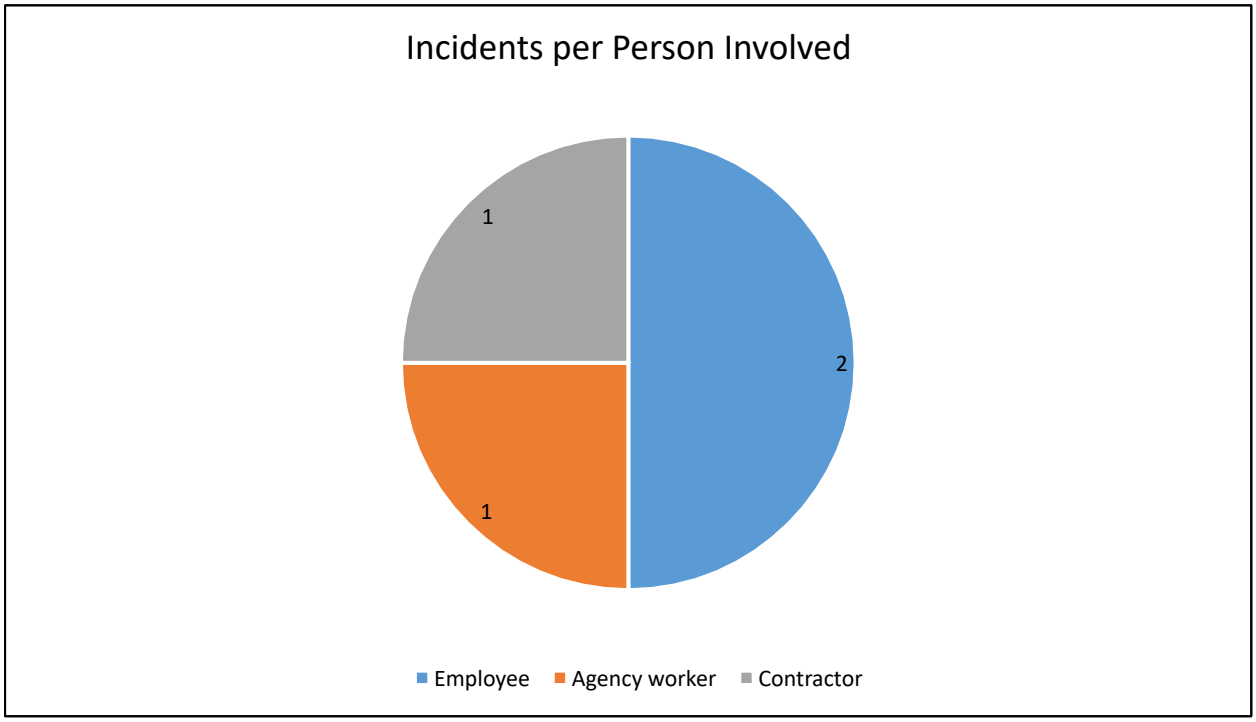
Employee/Agency and Other Incidents



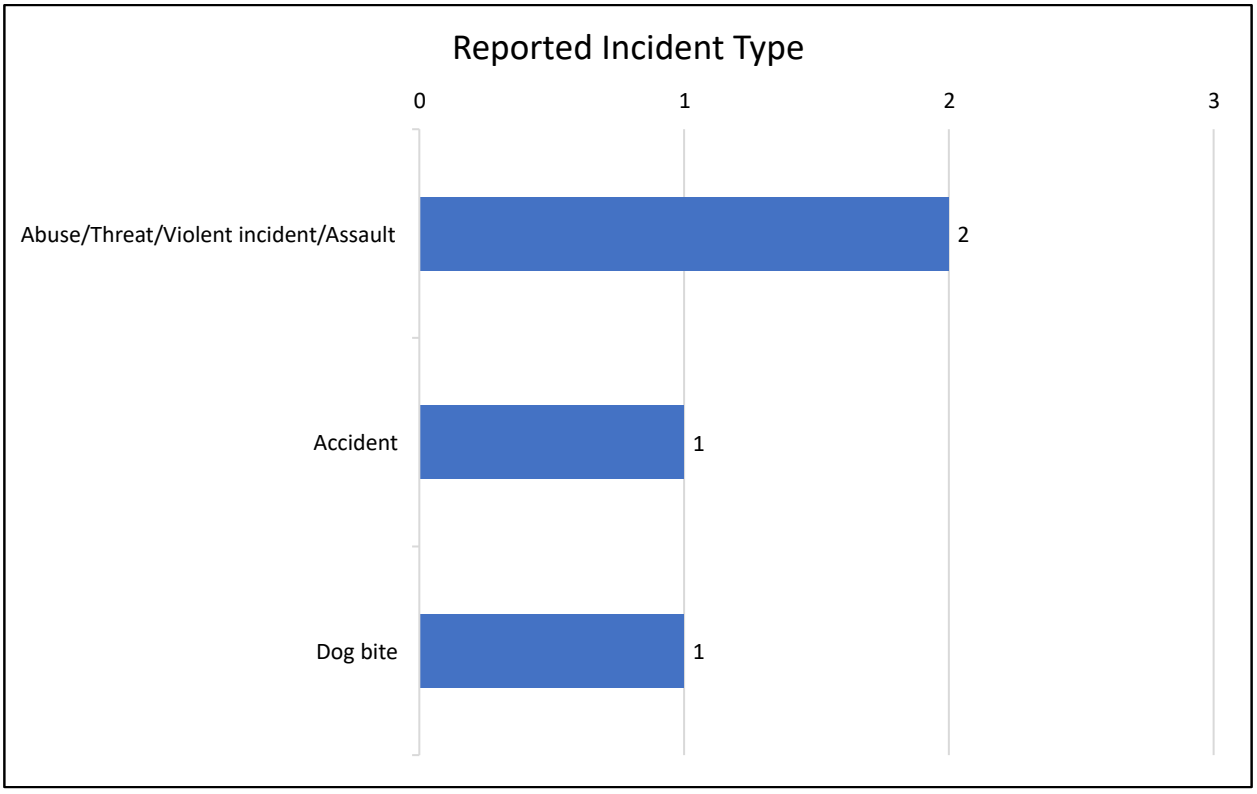


The above charts shows a breakdown of employee, agency staff and other incidents by Directorate/Service Area/Team this Quarter. A total of 4.

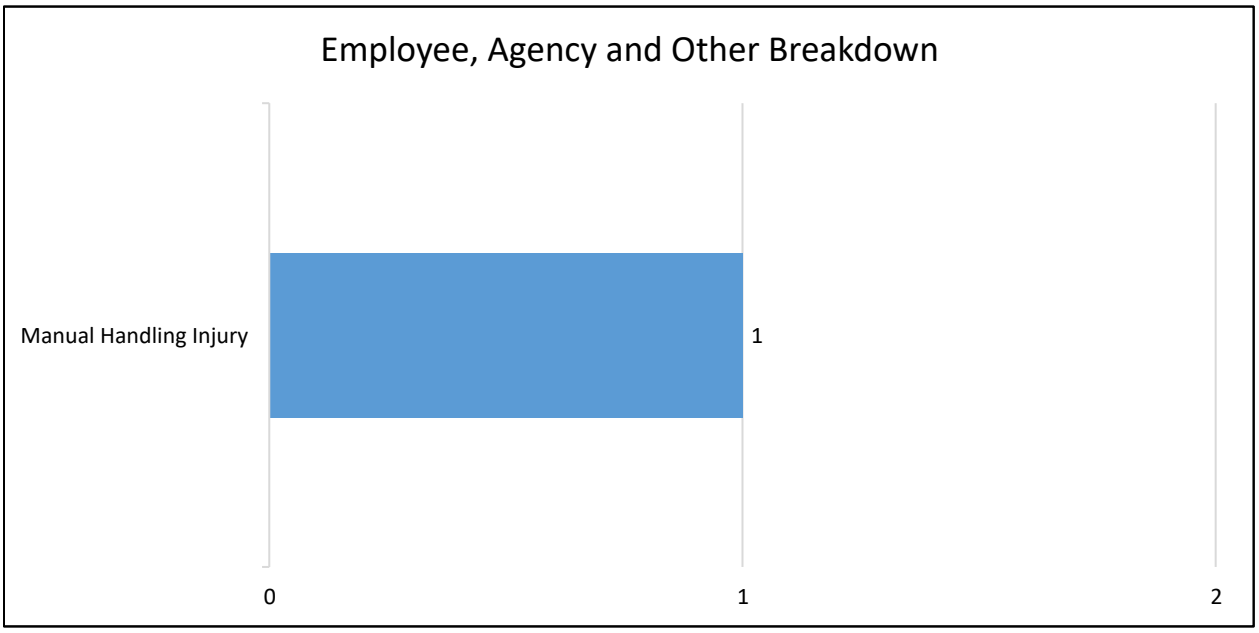
Person Involved and Type of Incident



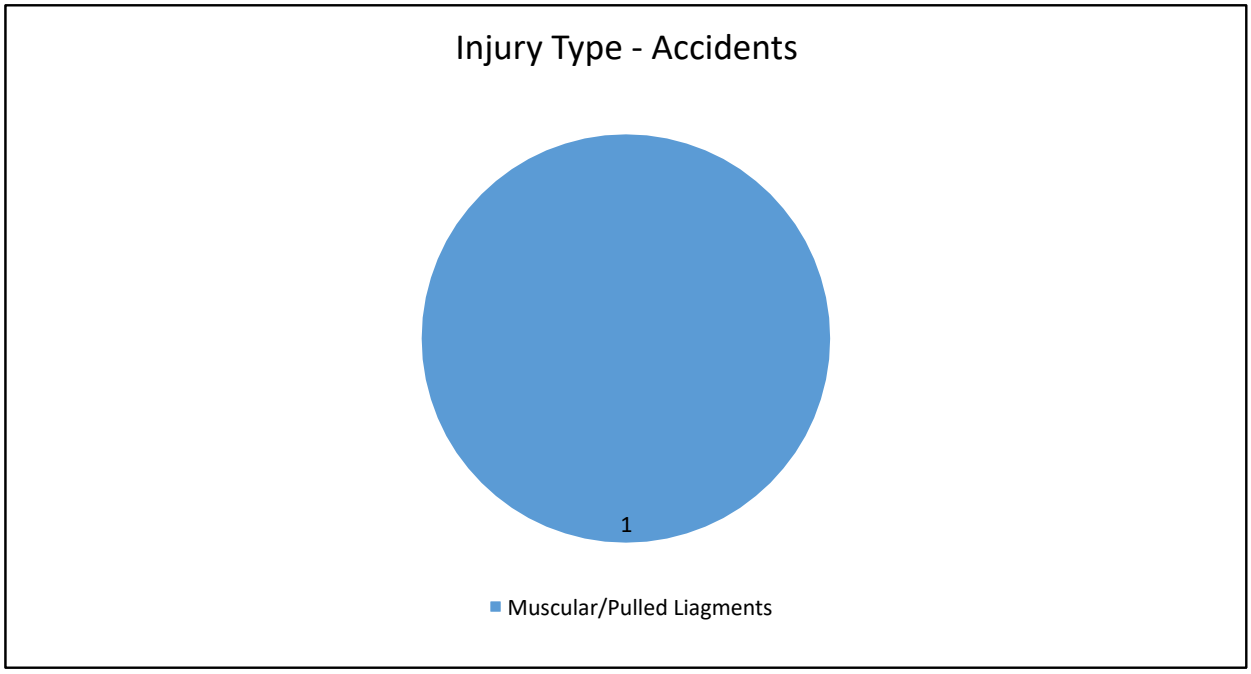
There were 4 incidents - 1 accident, 2 abuse/threat/violent incident/assault and 1 dog bite to employees, agency staff and contractors. None were RIDDOR reportable.



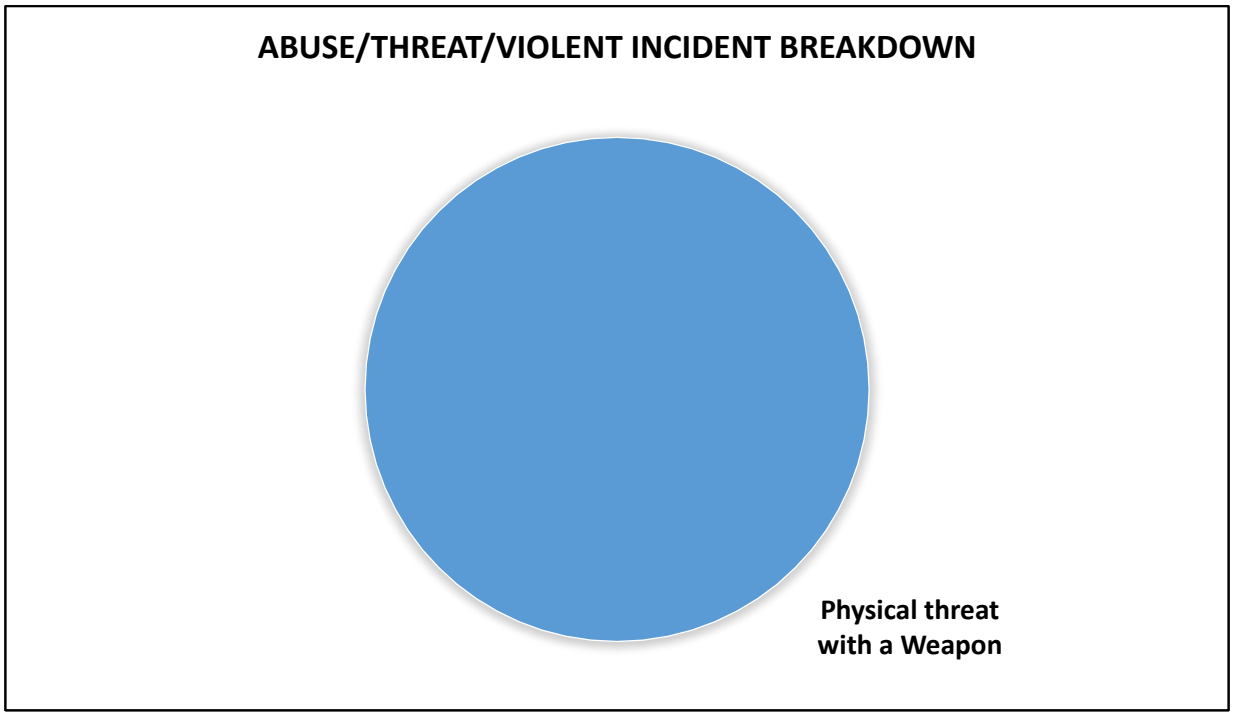
Employee/Agency/Other Accident and Injury Breakdown



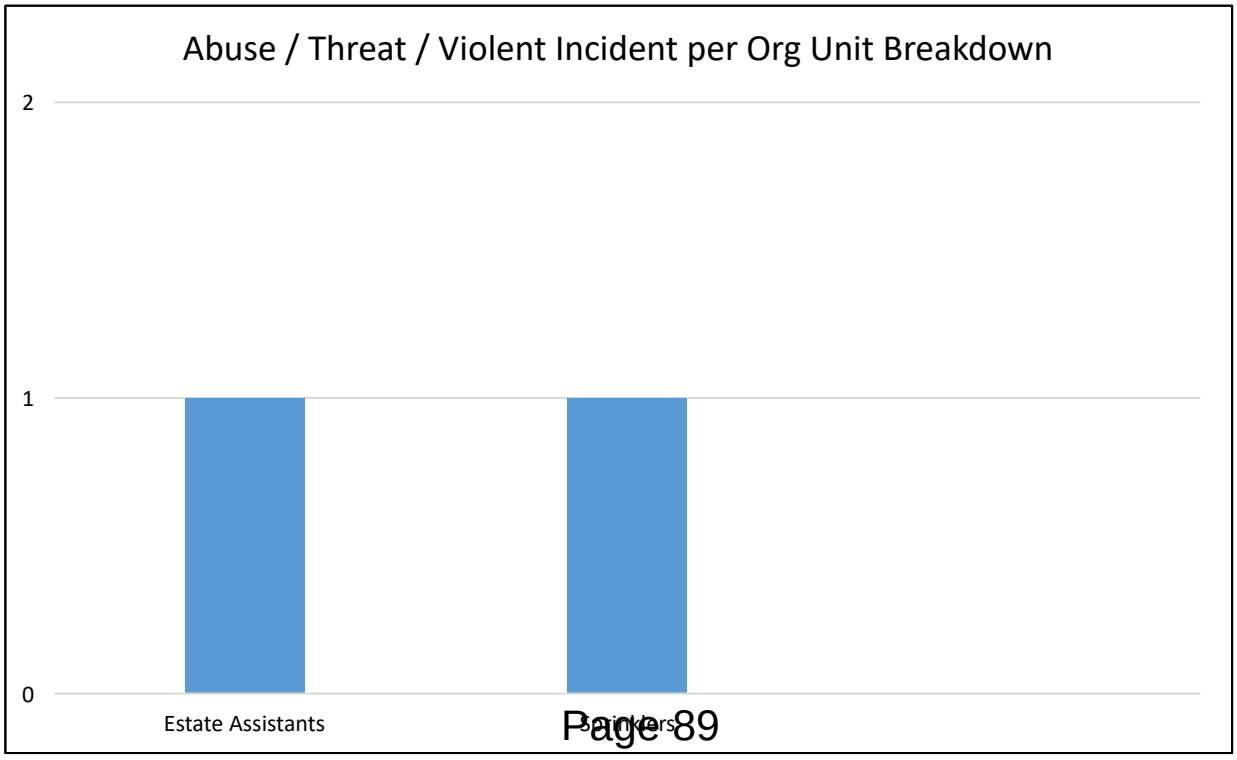
- The above chart shows a breakdown of employee, agency staff and contractor in accidents (a total of 1). The accident involved an agency worker.
- The chart below shows these broken down by injury type.



Employee/agency and Other Abuse/Threat/Violent Incident Breakdown



- The above chart shows a breakdown of abuse/threat/violent incidents (a total of 2).
- The chart below shows these broken down by Area.



Employee, Agency Staff and Other Summary

Near Miss Reports

There was 0 reported near misses this quarter.

Managers need to encourage staff to report more near misses to help prevent accidents by removing a potential cause before it can lead to an accident.

Abusive Incidents

There were 2 reported incidents of violence and abusive behaviour this quarter to staff and contractors, both involving being threatened or abused with a weapon. There were no reports of verbal abuse or intimidation by staff, which indicates that managers need to encourage reporting of such incidents.

Accidents

There was 1 accident reported this quarter. This is low and suggests that managers need to encourage reporting of accidents and ensure staff have adequate training to do so.

RIDDOR Reportable

There were no RIDDOR reportable incidents involving staff, agency workers or others (not including tenants).

Solihull Community Housing

Shaping our neighbourhoods

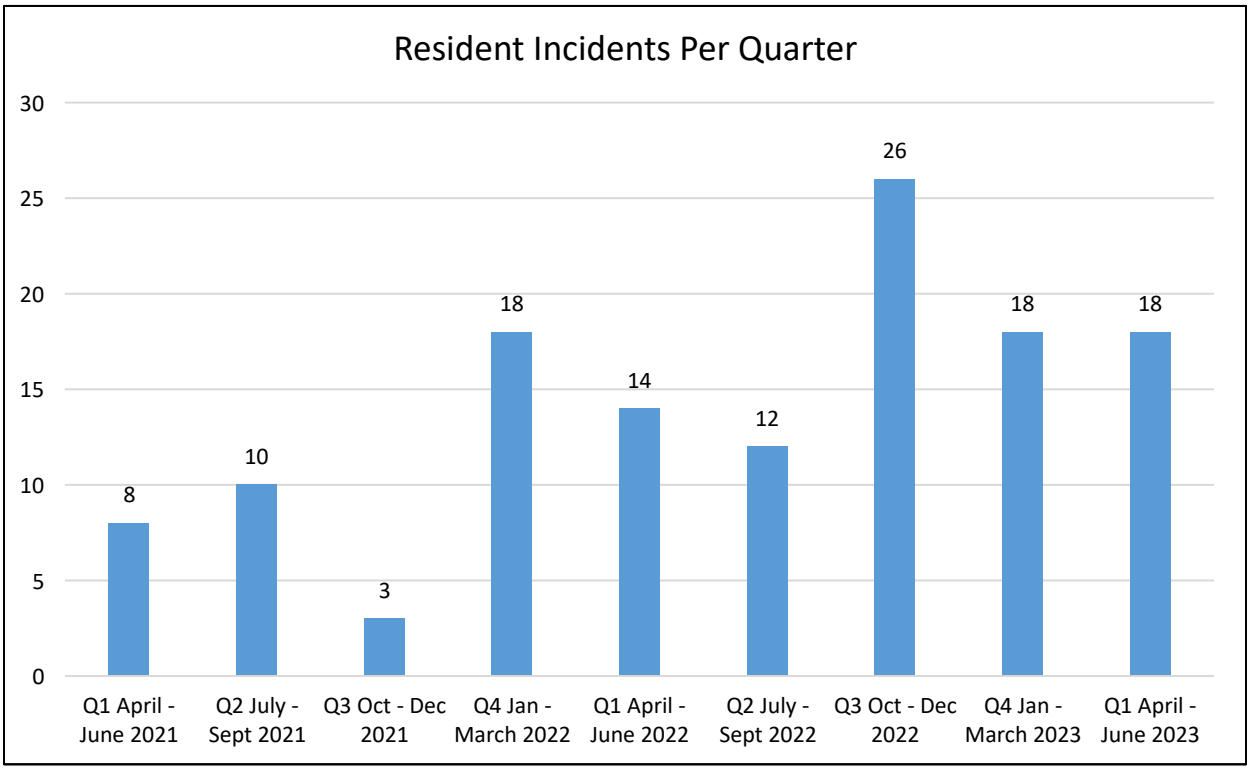
Building and Resident Safety

Incident Statistics Quarter 1
April – June 2023

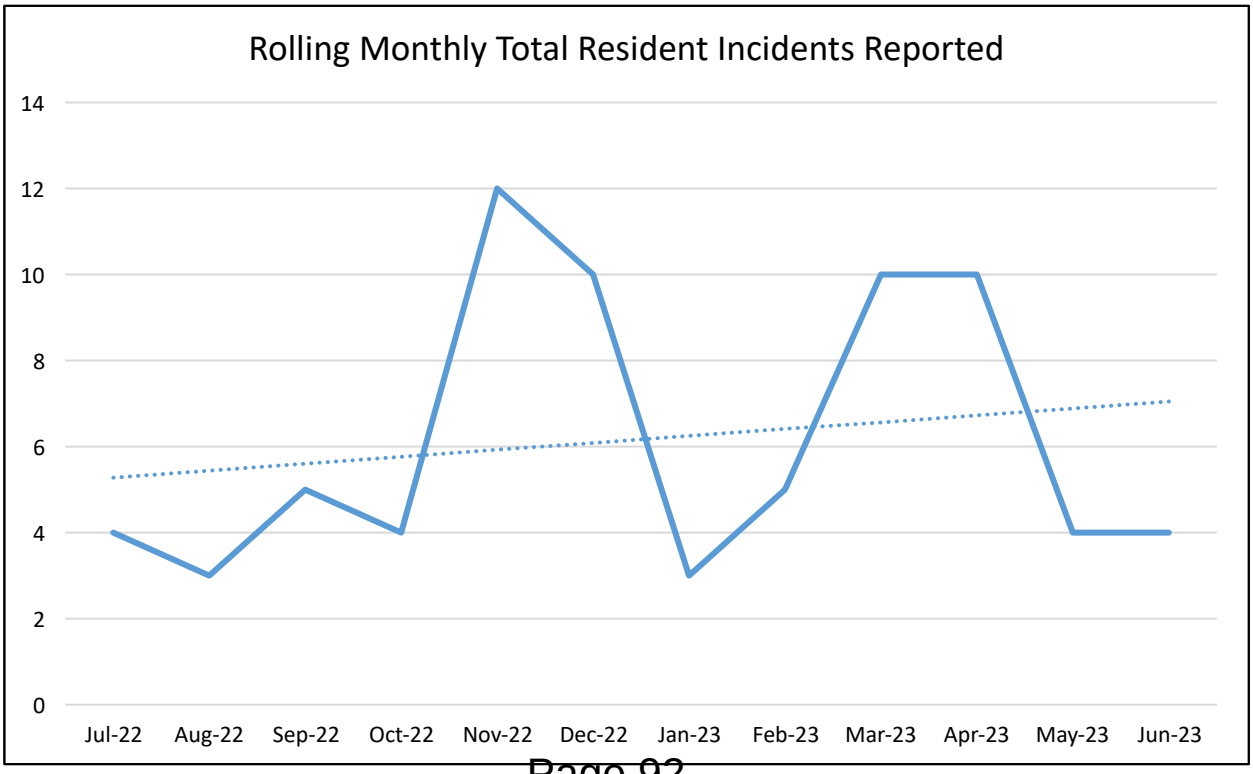
This section details all incidents and near misses reported by tenants. Details are provided for all tenant reported incidents.

The data identifies incidents where a property defect or circumstance was the contributory factor to an injury or near miss and this was the landlords (SCH) responsibility to resolve and also if the incident was work-related in some way.

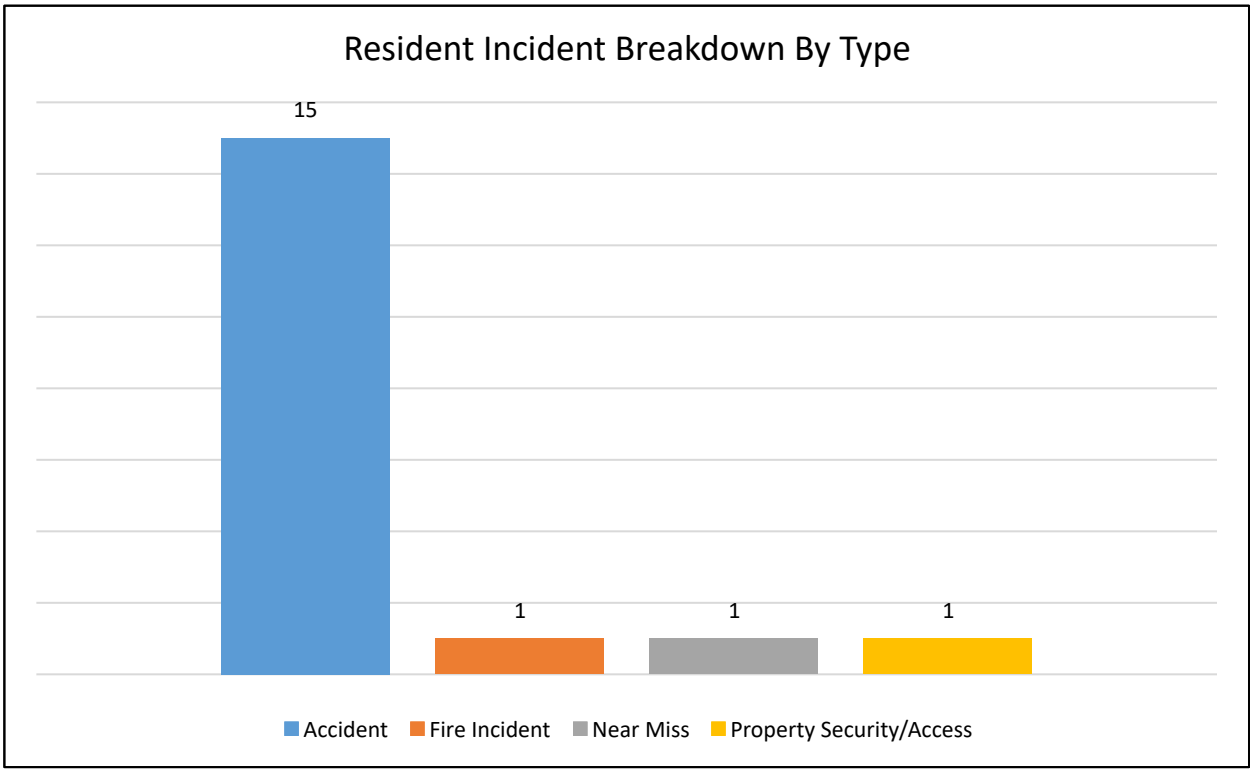
Resident Safety - Tenant Incidents



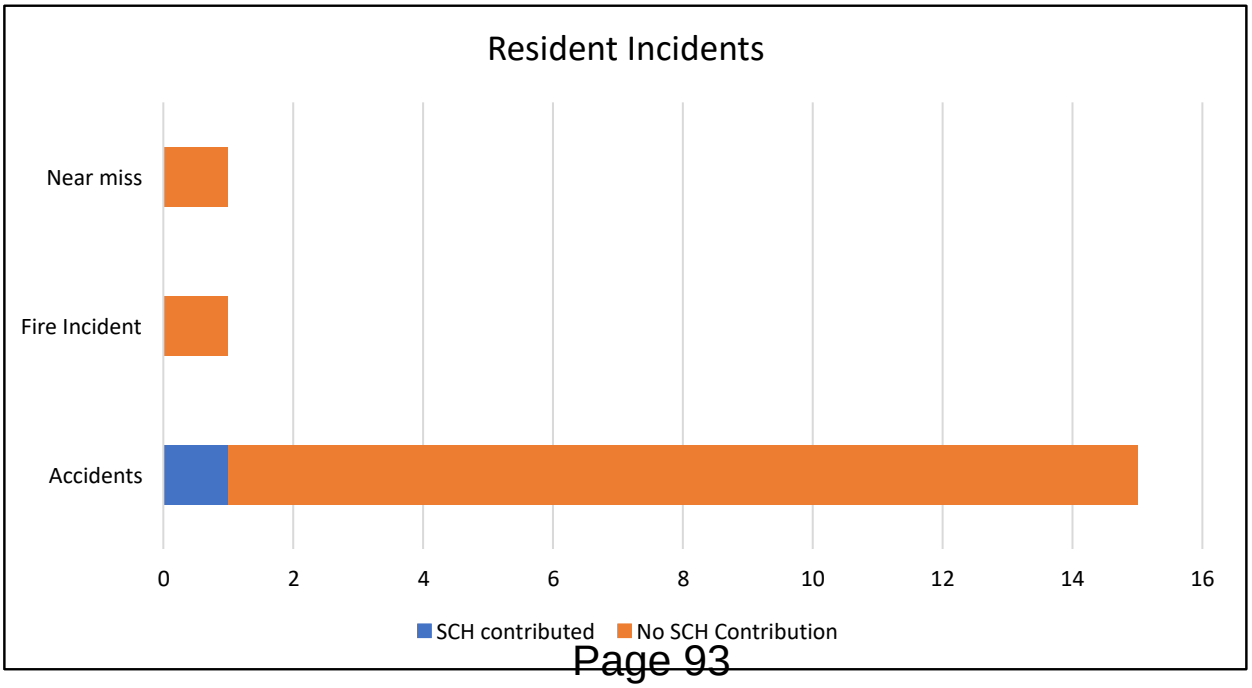
- Resident incidents reported per quarter.
- The graph below shows the rolling monthly totals of resident reported incidents with the addition of a trend line.



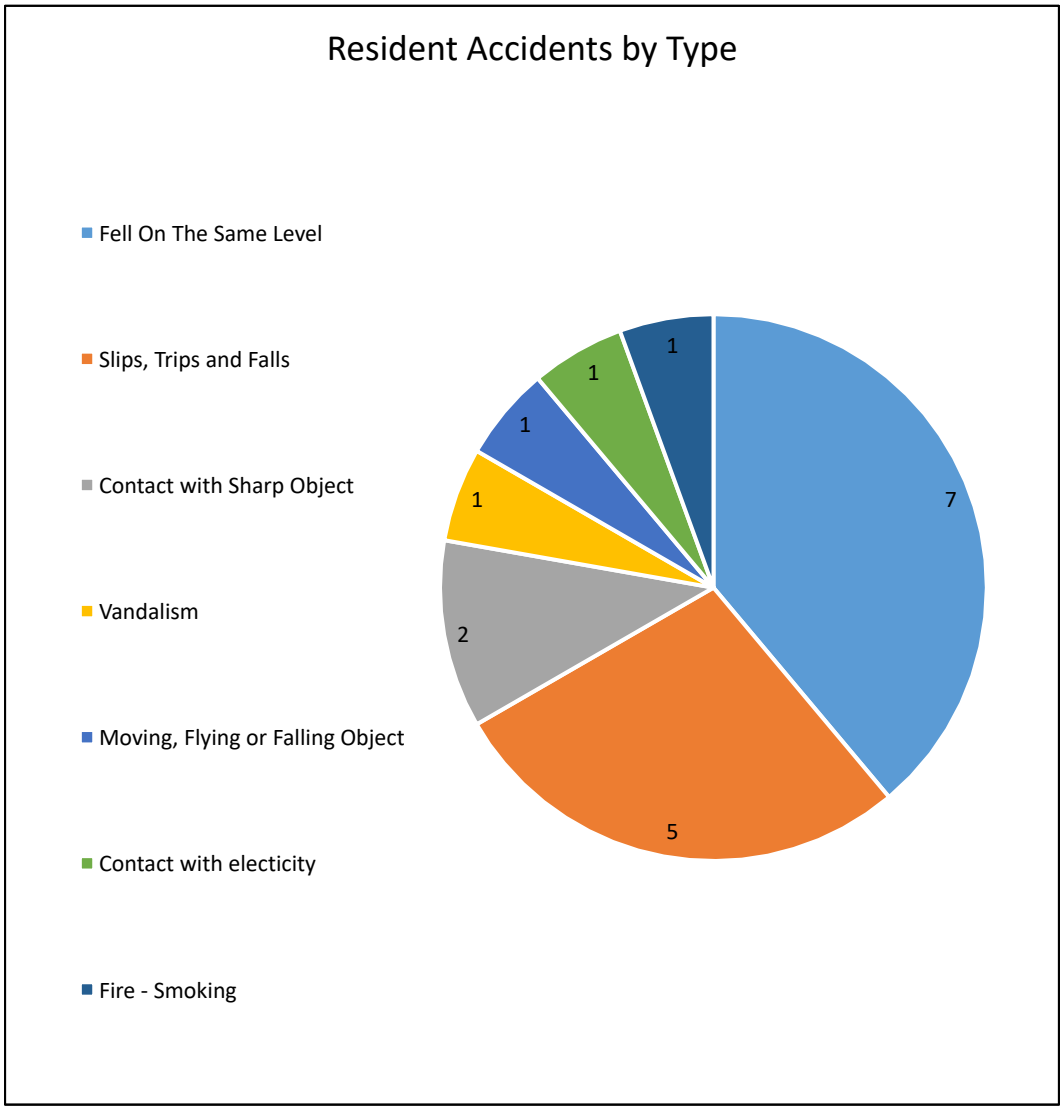
Resident Safety - Tenant Incidents



- There were 18 resident safety incidents this quarter.
- There were 2 RIDDOR reportable incidents this quarter. 1 was deemed not be work related at a later date.
- The graph below shows if the incident was caused in part by an SCH work activity.



Resident Safety - Tenant Incidents



The graph above shows the accident cause, the majority being falls on the same level or slips, trips and falls.

Resident Safety Summary Notes

Incidents where SCH work activity may have contributed to their cause

Out of the 18 tenant incidents reported in Quarter 1 2023/24, 1 accident potentially involved a fault, or issue caused by SCH activity (including 1 RIDDOR reportable incident where the injured tenant was taken to hospital).

Near Miss Reports

- There were no near miss incidents reported during Quarter 1 2023/24.
- Near miss reporting is to be encouraged to help prevent accidents by removing a potential cause before it can cause an accident.

Abusive Incidents

- There were no incidents of violence and abusive behaviour reported by tenants.

Tenant Accidents

Most tenant accidents this Quarter 1 2023/24 continue to involve a slip, trip or fall of some description. There were 9 slips and falls. 1 was the result of SCH work activity. The most common causes were uneven slabs and wet floors.

RIDDOR Reportable

There were 2 incidents reported under RIDDOR this quarter, however, 1 was deemed not to be a result of SCH activity at a later date (tree roots were the cause of raised slabs posing a trip hazard and therefore not RIDDOR reportable). This demonstrates the need for timely incident investigation and recording accurate, factual findings. The other incident involved a tenant treading on a piece of loose floor screed and falling, resulting in a broken foot. The injury required hospital treatment.

Fire or Property Related Incidents

A fire related incident involved a tenant being fatally injured in a residential property believed to be a result of smoking.

Other incidents reported (not directly SCH work-related activity)

17 of the tenant incidents reported do not appear to involve a fault, or issue caused by SCH activity, including slips, trips and falls, a flood due to sprinkler damage, a fire and a falling tree branch striking a person.

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Meeting of the Board

Report title:	Annual Risk Management Report	
Meeting date:	3 September 2023	
Report from:	Fiona Hughes	Chief Executive Officer
Report author/ lead officer:	Mark Wills	Health, Safety and Risk Manager, SMBC mark.wills@solihull.gov.uk
Report type:	~~Confidential~~ Open	
Decision type:	Assurance	~~Approval~~ ~~Information~~

1. Report overview/purpose

1.1 To provide the SCH Board with an annual update on SCH's corporate risk register and its risk management arrangements.

1.2 This report reflects upon the risk management arrangements for the financial year 2022-23 and includes the planned actions impacting risk management arrangements in the year 2023-24.

2. Recommendations

2.1 The Board is asked to:

(1) **NOTE** the information produced regarding SCH's identified corporate risks and, if it is felt appropriate comment on any additional risks or mitigating factors that should be reflected in the corporate risk register.

(2) **NOTE** the information regarding SCH's risk management arrangements and if it is felt appropriate comment on any additional steps that should be taken to make the approach more robust.

3. Background/context

3.1 The SCH Board holds the Executive Leadership Team (ELT) accountable for the effective management of risk and monitors these arrangements through an annual performance report.

3.2 The SCH Board are asked to consider the information provided and, if appropriate comment on any additional risks or mitigating factors that should be reflected in the corporate risk register.

3.3 SCH Audit and Risk committee has arrangements in place to review the risk reports each quarter and gain assurance that corporate risks and any high operational risks are being adequately managed.

3.4 The Corporate risk register report is attached at Appendix A. This risk register details the corporate risks that could have a significant impact on the organisation's ability to achieve its objectives. The risk register provides details of:

- the potential risk event (Risk);
- the action being taken to manage the identified risk (Mitigation);
- who is responsible for making sure the risk is effectively managed (Risk Owner);
- when the risk was last subject to review (Progress).

4. Matters for consideration

4.1 The following table summarises high net impact corporate risks.

Risk reference	Risk title	Likelihood	Narrative
SCH0207	Inability to prevent or respond effectively to a cyber security incident or ransomware attack.	Medium likelihood that the risk will materialise in the next 2 years. Risk level same as last year.	Mandatory cyber security training in place and periodic phishing tests are being conducted to increase user awareness. ICT systems and support are provided by SMBC which has a detailed cyber security mitigation plan. This remains a high-risk area
SCH0198	Failure to meet regulatory obligations (excluding Building Safety/ Heath and Safety compliance)	Low likelihood that the risk will materialise in the next 2 years. Risk level same as last year.	A suite of controls is in place to ensure compliance to have assurance that legal obligations (e.g. information governance, safeguarding, homelessness duty) are met.
SCH0202	Failure to ensure health and safety of customers, employees, and contractors.	Low likelihood that the risk will materialise in the next 2 years. Risk level same as last year.	New governance arrangements for H & S put in place during 2022-23 splitting occupational and building and resident safety, Corporate H&S action plan picks up and monitors any areas of concern. Risk is scheduled for a full review by ELT in the autumn.
SCH0203	Failure to ensure Building Safety in line with current and in preparation for future legislation	Low likelihood that the risk will materialise in the next 2 years. Risk level same as last year.	Significant work is ongoing in this area to ensure there are sufficient resources available to deliver the requirements. Surveys including structural surveys and reviews are commissioned as needed to identify building safety investment requirements, drawing these to the attention of SMBC.

SCH0205	Failure to have robust systems and process for all data management.	Low likelihood that the risk will materialise in the next 2 years. Risk level same as last year.	Housemark reviewed data gathering systems and provided advice on improvements for future management. Development of data framework and implementation of data strategy to be completed in 2023-24. Full risk review undertaken by ELT in July 2023.

4.2 Key points for the Board to note include:

a) The corporate risk register was last reviewed by the Audit and Risk Committee on 3 July 2023 and the Executive Leadership Team (ELT) on 18 July 2023.

b) ELT has, over the past year, introduced new controls to strengthen oversight of its risk management arrangements. One such process is scheduled reviews at ELT of operational risk registers to enable peer challenge and identification of any interdependencies between business areas. This has been further strengthened in 2023-24 by scheduling regular reviews of each corporate risk, alongside the existing service-level reviews. The intention is to maintain the service review frequency, whilst ensuring individual corporate risks are reviewed based on risk profile, the low risks being reviewed in depth at least annually.

c) At the time of writing this report, there were no corporate net red risks identified.

d) The total number of corporate risks has remained at 9 since the last year. There is currently one operational net amber 8 risk of insufficient temporary accommodation to meet the specific needs of people which is being closely monitored by the ELT.

e) The Council and SCH work together to help the Council meet its strategic objectives relating to the delivery of social housing in the borough. There are arrangements for all relevant housing related risks, including SCH risks to be highlighted and discussed as required at different groups including the Strategic Housing Board and the Building Safety Assurance Board.

e) The Council is currently undertaking an exercise to ensure that it recognises all strategic level risks in respect of its duties and responsibilities for the provision of and investment in social housing. The themes being considered in consultation with SCH include preparation for new housing regulation, sufficiency of HRA and the council's ability to meet the demand for social housing. The Council holds a corporate risk on ensuring safety of residents in high rise buildings. Once this exercise is complete, there will be a review of the SCH corporate risk registers to ensure alignment between the two risk registers.

5. Supporting the SCH Delivery Plan

5.1 The information provided in the report details the arrangements in place to manage any identifies risks to the achievement of the objectives set out in the current

delivery plan as well as its wider goals. The development and regular review of the risk register is one of the controls that supports the governance arrangements at SCH.

6. Consultation and engagement

6.1 There has been no specific tenant involvement or consultation in developing the reported Risk Register, however the register records any key risks that may impact its stakeholders. SCH works closely with its SMBC stakeholders, and an exercise has been recently conducted to ensure that strategic risks are held by the correct entity; this process is being overseen by the Strategic Housing Board. SCH Audit and Risk committee has arrangements in place to review the risk reports each quarter and comment on any addition risks to be considered or controls to be put in place.

7. Financial implications

7.1 There are no financial implications as a direct consequence of this report. However, there are potential cost implications if an identified risk were to occur and this forms part of the net risk level assessment.

8. Legal implications

8.1 There are no legal implications as a direct consequence of this report.

9. Risk implications

9.1 This report updates the Board on the management of risk within SCH; there are no risks arising specifically from the content of this report.

10. Equalities implications

10.1 There are no specific implications arising from this report with regard to equalities and diversity, however, the risk management approach considers any equality and diversity implications before approving any decisions.

11. List of appendices

11.1 Appendix A details the corporate risks, including any high operational risks.

12. Background documents

12.1 Please contact Mark Wills (mark.wills@solihull.gov.uk) for any further operational risks you may wish to have sight of.

Appendix A - Corporate risk register

Directorate

Solihull Community Housing

Registers : **1**

	Green	Amber	Red	Total
Net Risk Level Summary (All)	2	7	0	9
Net Risk Level Changes	1	2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes	1	2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Inability to prevent or respond effectively to a cyber security incident or ransomware attack .	SCH0207	Fiona Hughes	83 % complete	10/11/2022	03/08/2023	01/02/2024

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Treating Cyber Security as an IT technical Issue and not an organisation wide management issue. - Cyber insurance is increasingly prohibitive in clauses and obligations - The constant attack of the council's digital infrastructure from malicious actors/agents - The increase in state sponsored cyber-attacks, targeting UK public sector organisations in response to the geopolitical landscape e.g. cyber attack on Bromford Housing association. - Indirect exposure caused by cyber vulnerabilities with third party suppliers (eg Amey cyber attack 2020) - Increased exposure with cloud technologies and transacting over the internet - Lack of Cyber Security expertise - Absence of a dedicated cyber security team - Services using outdated software and technology, - no control over third part archived systems - Services buying software without consulting ICT	- Significant operational, financial and reputational damage to the Council - Critical services being unavailable, impacting directly on citizens lives. - Financial loss due to Ransomware attacks and costs of recovery - Disrupt the confidentiality, availability and integrity of our information or bring our systems and applications to a standstill severely impacting our ability to deliver critical services. - Legal recourse of failing to protect data and information.	Red 9 High Likelihood High Impact	• Approval for changes to systems or new systems has to be sought through the Digital Transformation Board . *Martyn Sargeant*	In Place		100	Amber 8 Medium Likelihood High Impact	
			• Increasing user Education and Awareness through periodic Phishing tests *Martyn Sargeant*	Complete		100		
			• Stress test Business Continuity Plans in event of total ICT failure. *Martyn Sargeant*	Complete		100		
			• ICT systems and support are provided by SMBC which has a detailed cyber security mitigation plan in its corporate risk register. *Martyn Sargeant*	In Place		100		
			• Mandatory training Cyber Security (part 1) *Martyn Sargeant*	In Place		100		
			• Carry out follow-up to phishing exercise *Martyn Sargeant*	Planned	01/02/2024	0		

Risk Register - Solihull Community Housing

Net Risk Level Summary	Green 2	Amber 7	Red 0	Total 9
Net Risk Level Changes		1 2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

- Colleagues failing to recognise malicious or suspicious activity (phishing emails) - Stolen or 'shared' access credentials or equipment								

Review Comments Additional mitigation added about follow-up to phishing exercise.
No justification to change risk rating. Remains a high risk area.
03/08/2023

Page 102

Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes	1	2		1 2

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Failure to meet regulatory obligations (excluding Building Safety/ Heath and Safety compliance)	SCH0198	Fiona Hughes	100 % complete	04/01/2022	27/02/2023	27/08/2023

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Serious information breach requiring notification and a fine from the Information Commissioners Office. - Failure to follow our policy and process leading to an adverse judgement from Local Government or housing ombudsman. - Preventable harm to adult or child as a result of poor safeguarding arrangements. - Non compliance with legislation (e.g. Equality and Diversity, Statutory Homelessness).	- Loss of public confidence in SCH's ability to keep personal and sensitive information secure. - Prosecution; legal action resulting in compensation to be paid. - Reputational damage. - Adverse publicity. - DHR or Serious case review where SCH may be seen at fault.	Red 9 High Likelihood High Impact	• Working with SMBC's Information Governance Team to ensure all staff have undertaken mandatory training. *Martyn Sargeant*	In Place		100	Amber 7 Low Likelihood High Impact	
			• Company secretary meets with teams to provide bespoke training as required. *Martyn Sargeant*	In Place		100		
			• Reporting process for any breaches which are then investigated to identify learning. *Martyn Sargeant*	In Place		100		
			• Any new data Sharing Protocols to be reviewed for compliance with GDPR. *Fiona Hughes*	In Place		100		
			• SMBC's ICT Team have cyber security arrangements in place which include firewalls, testing and malware scanning *Martyn Sargeant*	In Place		100		
			• Customer Complaints Policy in place and guidance and training is available for staff. *Martyn Sargeant*	In Place		100		
			• Monitoring by Governance Team and monthly reports to the (ELT). *Martyn Sargeant*	In Place		100		
			• Complaints audits are undertaken every month. *Claire Albrighton*	In Place		100		
			• High level reporting to the SCH Board on the percentage of complaints resolved within the target timescale. *Martyn Sargeant*	In Place		100		

Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes		1 ↗ 2		1 ↗ 2

4	1	0
2	1	1
0	0	0

			• Customer Satisfaction data monitored quarterly and actions taken as a result of analysis. *Claire Albrighton*	In Place		100		
			• Customer complaints advocates who review our outgoing communication to check they are customer friendly. *Claire Albrighton*	In Place		100		
			• Mandatory Training Programme in place for staff for equality and diversity and statutory homelessness. *Martyn Sargeant*	In Place		100		
			• Management Agreement is scoped to ensure that SCH has clear responsibilities and complies with all relevant legislation. *Fiona Hughes*	In Place		100		
			• Compliance with the Public Sector Equality Duty, including the requirements of the Specific Duty. *Martyn Sargeant*	In Place		100		
			• Gender pay gap reporting annually, actions completed by HR. *Martyn Sargeant*	In Place		100		
			• The requirements of the fair treatment assessments is aligned to the annual delivery plan. *Martyn Sargeant*	In Place		100		
			• Report to the SMBC client function quarterly to satisfy that SCH is meeting all statutory requirements *Martyn Sargeant*	In Place		100		
			• Wider representation on all relevant safeguarding boards and forums, including SSCP, SSAB, Exploitation and Domestic Abuse *Carol Trappett*	In Place		100		
			• Internal Assurance Group, Safeguarding, Exploitation and Domestic Abuse (SEDA) comprising of senior managers *Carol Trappett*	In Place		100		

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Risk Register - Solihull Community Housing

Net Risk Level Summary	**Green** 2	**Amber** 7	**Red** 0	**Total** 9
Net Risk Level Changes		1 2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Review Comments References to safeguarding removed as these are now covered by a new risk focused on safeguarding, exploitation and domestic abuse.
27/02/2023

Risk Register - Solihull Community Housing

Net Risk Level Summary	Green 2	Amber 7	Red 0	Total 9
Net Risk Level Changes	1	2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Failure to ensure Building Safety in line with current and in preparation for future legislation	SCH0203	Fiona Hughes	62 % complete	05/01/2022	08/08/2023	08/02/2024

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Ineffective systems and processes. - Failure to prepare for future building safety legislation (E.g Building Safety Act, Fire safety act) - Inadequate management oversight. - Insufficient resources staffing & financial. - Failure to carry out regulatory requirements as a result of new legislation - Failure to complete remedial repairs arising from Fire Risk Assessments - Inadequate skills, knowledge and competence required by Regulation/Statute - Lack of building information to inform Building Safety Cases - Inaccurate data. - Failure to complete regular safety checks and maintenance - Poor contractor performance - Regulatory failure through an adverse judgement - Corporate and personal prosecution	- Reputational damage. - Financial loss (fines). - Injury / fatality. - Prosecution. - Building Safety Regulator intervention	Red 9 High Likelihood High Impact	• Commission surveys including structural surveys and reviews as needed *Darren Baggs*	In progress	30/06/2024	50	Amber 7 Low Likelihood High Impact	
			• Prepare building safety cases for each high-rise building *Darren Baggs*	Planned	30/06/2024	0		
			• Robust management of contracts to ensure performance and building safety quality *Darren Baggs*	In progress	31/03/2024	50		
			• Regular monitoring and checks of communal spaces to highlight concerns or risks *Carol Trappett*	In Place		100		
			• Ongoing programme of home standard compliance inspections that are reported to ELT, the Board and SMBC *Darren Baggs*	In Place		100		
			• Strengthen data management and integrity through development and implementation of data strategy *Katy Vincent*	In progress	31/03/2024	50		
			• Maintain up to date register of qualifications and competency of staff working in building safety *Martyn Sargeant*	Planned	31/03/2024	0		
			• Robust governance arrangements in place (SMBC & SCH) *Fiona Hughes*	Complete		100		
			• Building Safety Implementation Plan - Revised version in place *Alison Clark-Williams*	In progress	31/10/2023	60		

Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes		1 ↗ 2		1 ↗ 2

4	1	0
2	1	1
0	0	0

Page 107			• Development of individual high-rise building safety agreements and network of Building Safety Advocates *Becci Youlden*	In progress	30/09/2023	85		
			• Sufficient resourcing to deliver requirements *Darren Baggs*	In progress	31/03/2024	40		
			• Joint Asset Management Strategy to focus required investment. *Darren Baggs*	In Place		100		
			• Building safety related KPI's reported to SCH Board & SMBC *Alison Clark-Williams*	In Place		100		
			• Mandatory training on building safety *Martyn Sargeant*	Proposed	31/03/2024	0		
			• Damp, mould & condensation performance information into building safety reporting *Darren Baggs*	In Place		100		
			• Register HRRBs and submit key building information *Darren Baggs*	In progress	01/10/2023	50		

Review Comments Risk reviewed and refreshed by ELT on 18th July 2023
08/08/2023

Risk Register - Solihull Community Housing

Net Risk Level Summary	Green 2	Amber 7	Red 0	Total 9
Net Risk Level Changes		1 2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Failure to ensure health and safety of customers, employees and contractors.	SCH0202	Fiona Hughes	94 % complete	05/01/2022	03/08/2023	03/02/2024

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Failure to follow safe practices and H&S policy and guidance. - Failure to keep up to date on safety legislation changes. - Lack of Management controls. - Lack of training and awareness. - Purchase of substandard services, tools and equipment. - Resident accidents due to service provision. - Failure to review reported incidents / near misses. - Failure to provide PPE. - Community incident or significant of asset failure. - Threats or abusive behaviour towards staff or contractors.	- Preventable harm. - Reputational Damage. - Legal Action - Fines or payment of compensation	Amber 8 Medium Likelihood High Impact	• Dedicated support from the SMBC Health and Safety Support Team to provide advice and support. *Martyn Sargeant*	In Place		100	Amber 7 Low Likelihood High Impact	
			• Assure software – recording incidents, accidents and near miss information. *Executive Leadership Team (ELT)*	Complete		100		
			• Corporate H&S action plan *Martyn Sargeant*	In Place		100		
			• Comprehensive approach to Contract Management, including review of H&S information and H&S related performance KPI. *Darren Baggs*	In progress	31/03/2024	75		
			• Mandatory H&S related training on Learning Pool. *Martyn Sargeant*	In Place		100		
			• Staff competence including training records review during annual PDR. *Martyn Sargeant*	In progress	30/06/2024	50		
			• Regular H&S information updates via Social media and resident news letters. *Martyn Sargeant*	In Place		100		
			• Robust governance of H&S and promotion of positive H&S culture. *Fiona Hughes*	In Place		100		
			• Block safety champions, and all staff on site (including contractors) are required to report on any issues. *Darren Baggs*	In Place		100		

Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes		1 ↗ 2		1 ↗ 2

4	1	0
2	1	1
0	0	0

Page 109			• Cleaning contracts specify that contractor staff are required to report and remove any hazards. *Carol Trappett*	In Place		100		
			• Estates team inspections regime. *Carol Trappett*	In Place		100		
			• H&S service specific audits. *Mark Wills*	In Place		100		
			• Only purchase supplies from approved and relevant suppliers *Darren Baggs*	In Place		100		
			• Accident and near miss trends identified and investigated by HSST /SCH, learnings reported to ELT. *Executive Leadership Team (ELT)*	In Place		100		
			• Comprehensive Risk Assessments and service standards. *Executive Leadership Team (ELT)*	In Place		100		
			• Formal incident/accident investigation procedures. *Mark Wills*	In Place		100		
			• Monitored Personal alarms. *Sarah Brookes*	In progress	30/11/2023	75		
			• Risk Assessments, Method Statements and Safe systems of works – Generic and bespoke as required. *Executive Leadership Team (ELT)*	In Place		100		

Review Comments Existing rating remains reasonable. Risk is scheduled for a full review by ELT in the autumn.
03/08/2023

Risk Register - Solihull Community Housing

Net Risk Level Summary	Green 2	Amber 7	Red 0	Total 9
Net Risk Level Changes		1 2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Failure to have robust systems and process for all data management	SCH0205	Fiona Hughes	60 % complete	05/01/2022	03/08/2023	03/02/2024

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Inadequate IT systems - Too many non-complementary IT programmes in use - Lack of robust interfaces with internal, contract or supplier systems - Lack of holistic view of data - Lack of challenge of data - Lack of data standards	- Inaccurate reporting - Duplication of effort - Conflicting data presented by different systems - Lack of confidence in data held	Amber 8 Medium Likelihood High Impact	• Identification of priority system investment through Digital & ICT Programme Board. *Martyn Sargeant*	In Place		100	Amber 7 Low Likelihood High Impact	
			• Core Housing Management upgrade to Capita One *Martyn Sargeant*	Planned	30/11/2023	5		
			• Workflow solution to simplify user experience and access *Jatinder Matharu*	Planned	29/02/2024	15		
			• Broad system review to ID improvement vs decommissioning opportunities. *Martyn Sargeant*	Complete		100		
			• External Data Health check (first stage) HouseMark. *Martyn Sargeant*	Complete		100		
			• Further in-depth directorate level data healthcheck and improvement plans *Katy Vincent*	In progress	31/10/2023	50		
			• Data Strategy *Katy Vincent*	In progress	30/09/2023	50		

Review Comments Full risk review undertaken by ELT in July 2023.
Existing rating remains appropriate.
03/08/2023

Risk Register - Solihull Community Housing

Net Risk Level Summary	Green 2	Amber 7	Red 0	Total 9
Net Risk Level Changes		1 2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Financial pressures undermine SCH's ability to meet Delivery Plan commitments .	SCH0201	Fiona Hughes	92 % complete	05/01/2022	03/08/2023	03/11/2023

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Increased costs of labour and materials. - HRA financial pressures caused by increase in HRA expenditure causing reduction in SCH budget. - Additional cost pressures due to requirement to meet regulatory requirements (e.g. Decent Homes standard) - Changes in legislation/ regulatory landscape requiring enhanced service or changes in the current service offering. - Lack of discipline in budget management. - Uncertainty over CPI (Inflation) levels makes budgeting more challenging. - Unbudgeted budget pressures as a result of unforeseen events. - HRA pressures caused by reduced HRA income as a result of below inflation rent increase and other charges, increase in RTB, increase in bad debts. - Failure to achieve value for money from external contracts/internal service providers causing budget pressure.	- Income targets not met. - Failure to balance SCH budget. - Reliance on reserves. - Depletion of reserves/insufficient SCH reserves to manage in-year unbudgeted pressures across the three-year approved budget. - Deterioration of service quality.	Red 9 High Likelihood High Impact	• Provision of financial management support to tenants and customers (Money Advice Service). *Carol Trappett*	In Place		100	Amber 6 High Likelihood Medium Impact	4 ↗ 2
			• Use of Mobysoft tool to target rent recovery activity and maximise income. *Carol Trappett*	In Place		100		
			• Competitive procurement to drive the best costs available to SCH. *Sam Gilbert*	In Place		100		
			• Review service delivery approach with Council to explore opportunities for collaboration and sharing HRA-related cost pressures. *Fiona Hughes*	In Place		100		
			• Investment in key corporate projects and spend to save initiatives which help to improve delivery whilst reduce operating costs. *Martyn Sargeant*	In progress	30/12/2023	50		
			• Three-year budget cycle, including horizon scanning, to smooth out fluctuations in income and expenditure. *Sam Gilbert*	In Place		100		
			• Review workforce management targets. *Sam Gilbert*	In progress	30/12/2023	50		
			• To have good governance and clear prioritization of reserves spending. *Sam Gilbert*	In Place		100		

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Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes		1 ↗ 2		1 ↗ 2

4	1	0
2	1	1
0	0	0

Page 112			• Restructure of business to ensure SCH is best-placed to manage existing and future pressures. *Martyn Sargeant*	In progress	30/09/2023	75		
			• Acquisitions budget and development of new properties. *Darren Baggs*	In Place		100		
			• Finance team have monthly meeting with ELT Members to go through budget and spend. *Sam Gilbert*	In Place		100		
			• Provide key budget holders with support and training. *Sam Gilbert*	In Place		100		
			• Key budget discussions are take through ELT and the Board . *Sam Gilbert*	In Place		100		
			• Having appropriate financial forecasting in place. *Sam Gilbert*	In Place		100		
			• Where budget overspend is forecast corrective actions will be considered and agreed by ELT and Board where required. *Sam Gilbert*	In Place		100		

Review Comments Full risk review undertaken by ELT (June 2023), refocusing the risk on financial pressures. Risk likelihood increased due to prevailing economic circumstances.
03/08/2023

Risk Register - Solihull Community Housing

Net Risk Level Summary	Green 2	Amber 7	Red 0	Total 9
Net Risk Level Changes		1 2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Insufficient capital investment in the Solihull Housing Stock leads to failure to meet national standards	SCH0199	Fiona Hughes	93 % complete	05/01/2022	12/06/2023	12/09/2023

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Age of stock requires investment works to exceed available budgets. - Higher cost of meeting carbon neutral specification. - Increased supply chain and material costs - Large number of Non traditional build and high risk properties driving a disproportionate imbalance in capital investment spend - Inappropriate capital programme. - Insufficient capital investment budget - change in legislative requirements creating a requirement for higher than planned investment requirements	- More frequent and costly maintenance. - Failure to commit to new build development schemes. - Lack of planned maintenance. - Poor customer satisfaction. - High void rates. - failure to attain national standards	Amber 6 High Likelihood Medium Impact	• Asset performance evaluation tool (ASAP) updates investment requirements based on regularly updated stock condition data *Darren Baggs*	In Place		100	Amber 5 Medium Likelihood Medium Impact	
			• 10 year Capital Investment Plan reviewed annually by SMBC. *Darren Baggs*	In Place		100		
			• Housemark Benchmark club to compare sector investment per property with that of SCH. *Darren Baggs*	In Place		100		
			• Options appraisal process relating to poorly performing assets. *Darren Baggs*	In Place		100		
			• Utilise available Grant Funding to support capital investment requirements *Darren Baggs*	In progress	31/03/2024	50		
			• Strategic Procurement to maximise value for money. *Sam Gilbert*	In Place		100		
			• 10 Year Joint Asset Management Strategy with governance arrangements in place *Executive Leadership Team (ELT)*	Complete		100		

Review Comments Updated following further discussions at ELT
12/06/2023

Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes	1	2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Failure to have robust governance arrangements in place.	SCH0200	Fiona Hughes	94 % complete	05/01/2022	20/01/2023	20/01/2024

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Lack of challenge of data produced. - Insufficient or poor quality systems and data shared with the board and the council. - Lack of training and development of board members to act as critical friends. - Absence of robust succession plan. - Dysfunctional working relationship between the management and board. - Breakdown in relationship with core stakeholder. - Key senior management vacancies	- Poor service delivery. - Inappropriate use of resources. - Incorrect assessment of priorities.	Amber 7 Low Likelihood High Impact	• Quarterly board meeting aligned to quarterly performance. *Martyn Sargeant*	In Place		100	Green 4 Low Likelihood Medium Impact	
			• Housing operations committee aware of its role to challenge data and make a recommendation to full board. *Martyn Sargeant*	In Place		100		
			• Board members aware of their responsibility to seek assurance around data. *Fiona Hughes*	In Place		100		
			• Clear governance map defined to clarify roles and responsibilities of the ELT, Board and SMBC. *Fiona Hughes*	In Place		100		
			• Identifying champion board members for high risk areas. *Fiona Hughes*	In Place		100		
			• Performance metrics in annual delivery plan to inform the board. *Martyn Sargeant*	In Place		100		
			• QMB dashboard shared with full board every quarter. *Fiona Hughes*	In Place		100		
			• Housemark commissioned to support a review of data systems and data management *Katy Vincent*	In progress	30/09/2023	75		
			• Skills matrix and gap analysis reviewed annually. *Martyn Sargeant*	In Place		100		
			• Regular working discussions between chair and Chief Executive. *Fiona Hughes*	In Place		100		

Risk Register - Solihull Community Housing

	Green	Amber	Red	Total
Net Risk Level Summary	2	7	0	9
Net Risk Level Changes		1 ↗ 2		1 ↗ 2

4	1	0
2	1	1
0	0	0

			• Executive team directors aligned to relevant board committees to provide optimal support. *Executive Leadership Team (ELT)*	In Place		100	
			• QMB is designed to provide a formal route of communication and collaboration with regard to the performance of SCH. *Executive Leadership Team (ELT)*	In Place		100	
			• Regular attendance of Chief Executive at CLT. *Executive Leadership Team (ELT)*	In Place		100	
			• Appropriate framework in place to encourage joint working and working relationships at different levels. *Executive Leadership Team (ELT)*	In Place		100	
			• Management agreement is regularly reviewed. *Fiona Hughes*	In Place		100	
			• Data cleansing based on results of the Housemark review. *Martyn Sargeant*	Complete		100	
			• Business Intelligence Software procured to help pull together reports to reduce manual systems. *Fiona Hughes*	Complete		100	
			• Training plan to support board members in the delivery of their role including knowledge base in key risk areas. *Martyn Sargeant*	Planned	30/09/2023	0	
			• Board members have development opportunities, programmes, webinars and site visits. *Martyn Sargeant*	In Place		100	
			• Board task and finish group set up to look at recruitment and succession planning. *Martyn Sargeant*	Complete		100	
			• Review of Senior Management Structures *Fiona Hughes*	Complete		100	

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Risk Register - Solihull Community Housing

Net Risk Level Summary	**Green** 2	**Amber** 7	**Red** 0	**Total** 9
Net Risk Level Changes		1 2 ↗		1 2 ↗

4	1	0
2	1	1
0	0	0

Review Comments Risk reviewed and mitigating actions in place
20/01/2023

Risk Register - Solihull Community Housing

Net Risk Level Summary	Green 2	Amber 7	Red 0	Total 9
Net Risk Level Changes		1 ↗ 2		1 ↗ 2

4	1	0
2	1	1
0	0	0

Risk Title	Risk Ref	Risk Owner	Action Progress	Created	Last Review	Next Review
Failure to deliver outcomes defined in the people strategy.	SCH0204	Fiona Hughes	90 % complete	05/01/2022	17/05/2023	17/05/2024

Potentially Caused by	Potentially Leading to	Gross Risk Level	Mitigating Actions	Action Status	Target Date	Action Progress	Net Risk	Previous Net Risk
- Lack of buy in to the shared values across all levels of the organisation - Ineffective Performance developmet review - Pressures caused by hybrid working - HEART values not shared and displayed by staff and leadership. - Lack of focus on providing opportunities for staff to grow within the organisation. - Internal transactions not guided by HEART values - Lack of opportunities for people to feel valued and contribute to the organization. - Inadequate provision for staff wellbeing	- Increased turnover of staff. - Difficulties recruiting staff. - SCH delivery plan not achieved due to lower efforts by staff. - Lower staff morale.	Amber 8 Medium Likelihood High Impact	• Review communication and other opportunities to connect with staff. *Becci Youlden*	Proposed	31/10/2023	0	Green 4 Low Likelihood Medium Impact	
			• Featured prominently across Strategic Vision and Delivery Plan for people to access via physical document and online. *Martyn Sargeant*	In Place		100		
			• Behaviours & HEART values form part of the PDRF process across SCH *Martyn Sargeant*	In Place		100		
			• HEART values to be a regular part of conversations or called out specifically when they are demonstrated. *Martyn Sargeant*	Complete		100		
			• Leadership Development Programme to improve synchronisation of approach across SLT *Executive Leadership Team (ELT)*	In Place		100		
			• Coaching Sessions for ELT for closer alignment or appreciation of leadership styles *Fiona Hughes*	In Place		100		
			• Keep in touch sessions. *Executive Leadership Team (ELT)*	In Place		100		
			• Stay Connected sessions. *Executive Leadership Team (ELT)*	In Place		100		
			• Internal audit recommendations being implemented. *Executive Leadership Team (ELT)*	In Place		100		

Risk Register - Solihull Community Housing

Net Risk Level Summary	**Green** 2	**Amber** 7	**Red** 0	**Total** 9	4 1 0 / 2 1 1 / 0 0 0
Net Risk Level Changes		1 2 ↗		1 2 ↗	

			• 1-1's with Line managers to discuss how objectives are delivered against Behaviours/HEART Values *Martyn Sargeant*	In Place		100	
			• PIP as a forum to discuss the delivery of corporate projects. *Martyn Sargeant*	In Place		100	
			• SEG to discuss and raise staff issues across the business and implement change. *Martyn Sargeant*	In Place		100	
			• Focus on creating an inclusive organization *Martyn Sargeant*	In progress	31/03/2024	50	
			• Employee Assistance programme providing 24/7 telephone support *Fiona Hughes*	In Place		100	
			• Actions to address staff sickness *Martyn Sargeant*	Complete		100	

Review Comments No substantive change to risk profile.
17/05/2023

Solihull Community Housing Registers : 1

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Risk Totals **9** Total Registers 1

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Meeting of the Board

Report title:	Statutory Accounts 2022/23	
Meeting date:	4 September 2023	
Report from:	Samantha Gilbert, Chief Finance Officer	
Report author/ lead officer:	Karen Cranley 0121 704 6421	Finance Manager kcranley@solihull.gov.uk
Report type:	~~Confidential~~ Open	
Decision type:	~~Assurance~~	Approval ~~Information~~

1. Report overview/purpose

1.1 To present the final 2022/23 statutory accounts for approval and signature.

2. Recommendations

2.1 The Board is asked to:

(1) **RECEIVE** the SCH 2022/23 statutory accounts

(2) **NOTE** the reconciliation between the statutory accounts and management accounts as requested by the Audit and Risk Committee at their meeting on 3 July 2023 (paragraph 4.5)

(3) **APPROVE** the 2022/23 statutory accounts as recommended by the Audit & Risk Committee at their meeting on 3 July 2023

(4) **APPROVE** the letter of representation as recommended by the Audit & Risk Committee at their meeting on 3 July 2023.

(5) **AUTHORISE** the Chairman to sign the statutory accounts and letter of representation on behalf of the Board as recommended by the Audit & Risk Committee at their meeting on 3 July 2023.

3. Background/context

3.1 As part of the annual financial cycle the statutory accounts were presented to the Audit & Risk Committee on 3 July 2023. The Audit & Risk Committee have recommended that the Board approve the statutory accounts for 2022/23.

4. Matters for consideration

4.1 SCH's auditors, RSM UK Audit LLP, attended the Audit and Risk Committee on 3 July 2023 to present their formal report following completion of their audit work. No areas of concern were highlighted during the audit process. Their Audit Findings Report is attached at Appendix A.

4.2 Appendix B to this report is the final version of the statutory accounts after the inclusion of changes recommended by the Audit & Risk Committee.

4.3 As in previous years SMBC have provided a letter of support to SCH. This financial year, due to the net pension asset represented in SCH's statutory accounts, the letter is only required to give assurances around the creditor balances owed to SMBC. A copy of this letter is attached at Appendix C.

4.4 This year the Statutory Accounts includes the addition of a Section 172 Statement within the Strategic Report. This sets out how SCH promotes the success of the company for the benefit of the members, while having regard for the stakeholders and matters as set out within the Companies Act 2006.

4.5 The Audit and Risk Committee requested that a reconciliation between the statutory accounts and management accounts be produced and this is shown in the table below. The reported deficit on the management accounts can be found on the financial dashboard appended to the 2022/23 Financial Outturn report also on today's agenda and the statutory accounts figures appear on the Statement of Changes in Equity (page 32 – Appendix B).

	2022/23 Accounts
	£'000s
Reported Deficit in year (Management Accounts)	1,622
IAS19 adjustments – revenue account *Made up of: Current & past year service costs, Interest on Liabilities, Admin Costs, Employer Contributions in year and Expected return on Assets*	2,950
Deficit in year after IAS19 (Statutory Accounts)	**4,572**
IAS19 adjustment – Remeasurement (gain)/loss *Made up of: Change in financial / Demographic Assumptions and Other experience assumptions*	(29,944)
Total recognised (Surplus)/ Deficit in year	**(25,372)**
Opening reserves Deficit **(Statutory Accounts)**	4,708
Closing reserves Deficit / Surplus (Statutory Accounts)	**(20,664)**

Represented by:

SCH Revenue reserves	(7,757)
Closing IAS19 deficit/ (surplus)	(12,907)
	(20,664)

4.6 The Audit and Risk Committee agreed to recommend to the Board the approval of the statutory accounts and that the Chairman signs both the statutory accounts and letter of representation on behalf of the Board. The letter of representation is included as Appendix D.

5. Supporting the SCH Delivery Plan

5.1 In itself the statutory accounts does not directly support the SCH delivery plan, however, this forms a part of the larger SCH Medium Term Financial Planning cycle which is produced to reflect the SCH Delivery Plan requirements..

6. Consultation and engagement

6.1 There is no public consultation or engagement undertaken for the statutory accounts.

7. Financial implications

7.1 The external audit fee for 2022/23 accounts is £34,200 and further costs of £1,950 will be incurred for the SCH tax computation arising from the accounts.

8. Legal implications

8.1 The SCH Management Agreement requires SCH to agree a balanced budget.

9. Risk implications

9.1 There are no risk implications arising directly from this report.

10. Equalities implications

10.1 There are no equality implications arising from this report.

11. List of appendices

Appendix A – RSM Audit Findings Report
Appendix B – 2022/23 Statutory Accounts
Appendix C – Letter of Support from SMBC
Appendix D - Letter of Representation

12. Background documents

SCH Management Accounts
Audit & Risk Committee Report 3 July 2023

Solihull Community Housing Limited

Audit findings report
year ended 31 March 2023

3 July 2023

RSM

Contents

Executive Summary 3
Risks identified at the planning stage 5
Recommendations on controls 7
Other matters to be reported 8
Update on matters communicated at the planning stage 9
Appendix 10

Executive Summary

This report summarises our key findings in connection with the audit of the financial statements of Solihull Community Housing Limited in respect of the year ended 31 March 2023.

The scope of our work was communicated to you via our Audit Plan document. We believe that the audit approach adopted will provide those charged with governance with the required confidence that a thorough and robust audit has been carried out.

Our audit work is complete, we anticipate issuing an unmodified audit opinion on the company's financial statements in line with the agreed timetable.

Risks and approach

We have carried out testing as planned on the risks identified during planning and draw your attention to the following key points for discussion:

- Accounting for pension costs

Final materiality

Materiality was determined based on a percentage of total expenses for the year.

Unadjusted audit misstatements

No unadjusted audit misstatements have been identified.

Disclosure misstatements and omissions

Manager and RI reviews of the financial statements are outstanding. Once complete, any comments will be provided to management to adjust.

Risks identified at the planning stage

Risk	Description	Response	Findings
Management override of controls	As management are separate from those charged with governance, we are required to consider the possibility of material misstatements in the financial statements resulting from management override of controls.	We will: • Significant journal entries will be reviewed to confirm they represent genuine adjustments. • Where accounting policies are subject to estimation or judgement, the estimate will be reviewed to ensure it has been prepared on a reasonable basis. • The business and control environment will be reviewed with management to identify areas of control weakness. Where weaknesses are identified in the control environment, reliance will not be placed upon tests of those controls. • We will review the reports produced by the Company's internal auditors and consider all matters relevant to the control environment established by the Company, its management and directors and review the Company's risk assessment covering this area.	Using data analytics we have selected a sample of journals for testing based on set risk criteria. Management provided sufficient explanation and supporting documentation for all journals selected for testing. Estimates identified during the audit relate to the Defined benefit pension scheme, bad debt provision and valuation of properties. We have reviewed the actuary report for the DBS scheme and confirmed the assumptions used are in line with other schemes produced for the year ending March 2023. We have reviewed the recoverability of year end debtors and agree that the bad debt provision is materially correct. Property valuations were carried out in 2021 and there has been no indication that values have fallen since. No control weaknesses have been identified during the audit. We have raised on best practice point below in relation to invoicing. We have reviewed the internal audit reports which conclude that the overall control environment is sound. They noted that good policies and procedures are in place and staff have good knowledge and understanding of their roles and responsibilities.
Going concern viability	The directors have a responsibility to ensure that there is sufficient evidence that the Company remains a going concern and that the financial statements are properly prepared on this basis. It is essential that we have sufficient time to build such efforts into the performance of our audit engagement. It may be necessary for you to defer your reporting deadlines to ensure our quality audit is not compromised and to allow management time to reassess any judgements and estimates as necessary.	We will: • Review the Company's budgets and cash flow forecasts for the period of a minimum of one year from date of approval of the financial statements. • Obtain confirmation that Solihull Metropolitan Borough Council ('the Council') is not aware of any intention to, or reason why, it might terminate the Management Agreement or otherwise impact the viability of the Company. Confirmation will be obtained via receipt of a letter of support from the Council.	Management have prepared forecasts to March 2026. We have reviewed these in line with actual income and expenditure for 2023 and confirm they appear reasonable. SCH holds a significant amount of cash at the year end and have a strong net asset position. We have obtained a letter of support from Solihull Metropolitan Borough Council which confirms they intend to continue with the management agreement with SCH thereby confirming the majority of income for SCH. We have agreed that based on the above, the going concern assumption is reasonable.

Agreement of intercompany transactions and balances with the council	There is a risk that certain transactions between the Company and the Council may not be documented in a manner that clearly determines the appropriate accounting treatment, particularly in distinguishing which party is acting as an agent or principal.	We will: • Review the accounting treatment of any such transactions identified • Obtain direct confirmation from the Council of the management fee, SLAs and reverse SLAs for the year • Review reconciliations performed over inter-entity balances.	All balances between SCH and SMBC have been agreed to supporting information provided by SMBC.
Accounting for pension costs	The requirements of IAS 19 (revised) in accounting for pension costs must be followed and the responsibility for the use of appropriate assumptions rests with the directors of the Company.	We will: • Obtain and review the instructions provided to the actuary to confirm compliance with the requirements of IAS 19 (revised) • Specifically consider how the actuary has dealt with the impact (if any) of Guaranteed Minimum Pensions (GMP) Equalisation • Review of the actuary's report and supporting assumptions and ensure that the pension liability is accounted for and disclosures made in line with IAS 19 (revised).	The LGPS pension valuation was showing an asset at the year end. We therefore asked management to request a second asset ceiling valuation to show the present value of employer future services costs over the future working lifetime of the active scheme members. This will ensure that only the recoverable amount of the asset is shown in the financial statements. The second valuation returned a lower asset value than the initial valuation and we therefore recommended that management recognise the lower asset value, this has been reflected in the financial statements. We have reviewed the reasonableness of the underlying assumptions used in the LGPS report prepared for and the accompanying disclosures. No significant issues were noted in this testing.

Recommendations on controls

We have set out below recommendations on internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all internal control matters or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed. An audit is not designed to identify all matters that may be relevant to you and accordingly the audit does not ordinarily identify all such matters.

Assessment	Issue and risk	
●	• Billing form retention We note that the finance department do not keep a record of billing forms and there is no reconciliation between billing forms raised and invoicing.	**Recommendations** • We understand that management perform a monthly review of budgeted invoicing to actual and therefore any missing material invoicing would be noted, it would be best practice if management could review invoices against billing forms to note any missing invoicing. **Management Response** • Solihull Community Housing, along with Solihull MBC, operate a devolved financial management approach with Budget Holders having responsibility to ensure that all expenditure and income relating to their service area is accounted for correctly. As part of the monthly monitoring arrangements there are systems in place for Budget Holders to have access to the current financial position and access to review transactions. There is also oversight of all of the monthly figures by the Finance Team and Executive Directors. Therefore any major items of income which have been omitted should be identified.
●	• Declarations of interest Our testing identified that a Director who took on another role in February 2023 had not updated their declaration of interests which could result in unidentified related party transactions.	**Recommendations** • All Board members and management should be encouraged to update their declarations of interest whenever there is a change in circumstance, not just on a yearly basis. **Management Response** • Declaration of interest forms already includes an undertaking that the Board Member will “notify the Company and to complete the appropriate declaration as soon as I become aware of any new interest or connection arising” and are asked at Board / Committee meetings if they need to declare any declaration of interests. Members will be reminded of the obligation to update their forms in-year for any relevant changes.

Assessment

- ● Best practice recommendation
- ● Other control recommendations

Other matters to be reported

Management judgements and accounting estimates

The following areas are considered to be the principal accounting estimates. The graphic below visually represents the impact (lower or higher) on the financial statements of a change in management's estimate. In overview, a reasonably possible change in estimate that has a low impact means that such a change will have limited impact on the financial statements. Conversely a reasonably possible change that has a higher impact, means that such a change can have a significant impact.

Estimates	Low impact		High impact
Provision for bad debts	●		
Defined benefit scheme assumptions		●	
Valuation of property		●	

Representations requested

We will not be seeking additional representations to those which we request on all audit assignments (http://www.rsmuk.com/standard-representations)

Update on matters communicated at the planning stage

Matter communicated	Update
Fees	We confirm that the fees charged during the year in respect of services performed are consistent with those contained within our Audit Plan submitted to you
Independence	In accordance with International Standard on Auditing (UK) 260 “Communication with those charged with governance”, there are no changes to the details of relationships between RSM UK Audit LLP including its related entities and persons in a position to influence the conduct or outcome of the audit and Solihull Community Housing Limited and its connected parties that may reasonably be thought to bear on our independence, integrity and objectivity and the related safeguards from those disclosed in the Audit Plan.

This report has been prepared for the sole use of Solihull Community Housing Limited and must not be disclosed to any third party, or quoted or referred to, without our written consent. No responsibility is assumed to any other person in respect of this report.

APPENDIX

Accounting misstatements

We have not identified any misstatements above the value we deem to be “clearly trivial” in the context of our audit. For this purpose, we consider “clearly trivial” to be any matter less than £47,600.

Communication of audit matters to those charged with governance

Our communication plan	Audit plan	Audit findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing, materiality and expected general content of communications including significant risks and key audit matters	●	
Confirmation of independence and objectivity	●	●
Significant matters in relation to going concern (if any)		●
Views about significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures (if any)		●
Significant findings from the audit		●
Significant matters and issues arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit (if any)		●
Unadjusted accounting misstatements and material financial statement disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter (if any)		●

ISA (UK) 260, as well as other ISAs (UK), prescribes matters which we are required to communicate with those charged with governance, and which we set out in the table here.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while the Audit Findings presents key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Financial statement disclosures

During the course of our audit, we reviewed the adequacy of the disclosures contained within the financial statements and their compliance with both relevant accounting standards and the requirements of the Companies Act 2006.

The following disclosure matters were brought to your attention and subsequently adjusted/not adjusted in the revised financial statements.

Unadjusted disclosures	Adjusted disclosures
To be updated once manager and RI reviews of financial statements are completed.	

Financial reporting updates

Important updates

A full list of financial reporting updates can be found by clicking the link below:

Keep up to date on the latest news and legislation changes by signing up to receive our alerts and newsletters.

Register here

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rsmuk.com

Our Report is prepared solely for the confidential use of Solihull Community Housing Limited and solely for the purpose of explaining our audit approach, the findings of the audit, and other reportable matters, forming part of the ongoing communications we are required to make under International Standard on Auditing (UK) 260 – Communication of audit matters with those charged with governance. Therefore, the report may not, without our express written permission, be relied upon by Solihull Community Housing Limited for any other purpose whatsoever, be referred to in whole or in part in any other external document or made available (in whole or in part) or communicated to any other party. RSM UK Audit LLP neither owes nor accepts any duty to any other party who may receive our Report and specifically disclaims any liability for any loss, damage or expense of whatsoever nature, which is caused by their reliance on our Report.

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Solihull
Community Housing
Shaping our neighbourhoods

Solihull Community Housing Limited

Company Limited by Guarantee

Financial Statements
For the year ended 31 March 2023

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Officers and Professional Advisers

Directors ("the Board")	D S Bell (resigned 25 July 2022) B Donnelly (appointed 25 July 2022) J M Fletcher (resigned 1 October 2022) A S Halpin P B Hardy (appointed 25 July 2022) R Hyde N Page D Pinwell G Sleigh (appointed 25 July 2022) M A Thrasher (appointed 25 July 2022) L Tubbs C Williams (resigned 25 July 2022)
Chief Officers	F Hughes – Chief Executive S C Gilbert CPFA – Chief Financial Officer M Sargeant – Executive Director of Customer Transformation and Business Support (appointed 1 February 2022) D Baggs – Executive Director of Operations (appointed 6 March 2023) S Balu – Executive Director of Housing and Communities (left SCH 31 July 2022)
Secretary	M E E Moroney-Barnett ACG (retired 30 April 2023) M Sargeant
Registered office	Endeavour House Meriden Drive Solihull B37 6BX
Registered number	04462630
Auditors	RSM UK Audit LLP Chartered Accountants 10th Floor 103 Colmore Row Birmingham B3 3AG

Bankers	Barclays Bank plc Corporate Business Centre PO Box 333 15 Colmore Row Birmingham B3 2WN

Chair's Introduction

31 March 2023

As the Chair of Solihull Community Housing (SCH), I am pleased to introduce the company's financial accounts for 2022/23.

It is a year that has been significantly affected globally and nationally by the energy and food supply price increases resulting from the Russian invasion of Ukraine in February 2022. The consumer price inflation (CPI) reached a 40-year high of 11.1% in October 2022, falling back slightly to 10.7% in November. These factors compounded with the continued aftershocks of the Coronavirus pandemic have required the government to provide help to households providing financial support with energy bills and Council Tax. There is no doubt it has been a difficult year for many in Solihull.

The challenges have been felt in SCH and we have needed to use reserves set aside to finance the extraordinary financial pressures to ensure services to tenants and leaseholders are maintained, particularly to those more vulnerable.

Throughout this time SCH continued to maintain focus on service delivery and achieving the 2020 – 2025 Strategic Aims:

- Creating Homes
- More than Bricks and Mortar
- Strengthening Communities
- Excellent Customer Services
- Passion in People

The year has seen significant progress on the work we do regarding Building Safety. I am pleased to see our four-year programme to fit sprinklers into the High-Rise Residential Buildings has continued providing residents who live in them a greater level of safety. This programme will conclude in 2023.

This has been something of a transitional year in terms of development. Whilst we have not completed any further schemes, we have worked with the Council to successfully transfer a portfolio of 68 properties providing specialised accommodation from Bromford Housing.

We have been working hard with the Council to progress the Kingshurst Village Centre project, with planning permission secured and many complex and challenging site assembly issues resolved. Demolition work is now underway with construction of the first phase of 25 new homes due to start in August 2023.

There is also good progress with a further 6 sites currently in their early stages of development, which once completed will provide 61 affordable homes. Planning permission has been secured for two of these sites at Lakeside and Anglesey Avenue and demolition work at Lakeside will start early in the new financial year.

I remain generally pleased with progress made this year against a backdrop of escalating costs and demand pressures within the wider construction sector. Current indications are that these conditions will continue to impact on the pace with which we can bring our remaining sites forward to a start on site, certainly in the short term.

Once again, I am proud to say thank-you to our staff for their hard work and compassion throughout 2022/23 and their unwavering support for tenants, leaseholders and each other.

The following pages detail the outturn position and some of the achievements for 2022/23.

Richard Hyde

Chair

4 September 2023

Strategic Report

31 March 2023

The Company sets out below its strategic report, which aims to provide the reader of the accounts with a range of information that includes:

- Context for related financial statements
- Insight into the Company's business model, main objectives and strategy
- Descriptions of the principal risks faced and how they affect future prospects
- Analysis of past performance
- Signposting to complementary information

CONTEXT

As the UK (and the rest of the world) recovered from the Covid pandemic, the emerging challenge was a worldwide cost of living crisis, precipitated primarily by Russia's invasion of Ukraine, post-Covid recovery challenges and post-Brexit issues. In particular this affected energy and food prices and resulted in inflation at a level unseen in the UK in recent decades. Another important impact for the sector was rapidly rising construction/materials costs, which has affected both small and large-scale projects, in some cases challenging their economic viability.

This situation has inevitably impacted upon the housing sector, with many residents of social housing facing unaffordable rises in living costs. This has resulted in increased arrears for many tenants and an increase in failed direct debit payments, a situation that is mirrored across the rest of the country.

Alongside this, pressure on housing stock continues. Affordability issues have resulted in increasing evictions or voluntary departures from private sector rented accommodation, and consequently extra requirements for social housing. In addition to local need, the influx of refugees, in particular from Afghanistan, Syria, Hong Kong and Ukraine, has created further demand on both temporary accommodation and then the core housing supply. As Solihull is home to an international airport, it has been a particular focal point for arrivals.

2022/23 was the third year of SCH's Strategic Vision 2020-25, *Creating better homes and thriving communities*, which is underpinned by annual delivery plans. The 2022/23 Delivery Plan set out the strategic and operational priorities for the year. Improving the customer experience and embedding customer engagement remained strong areas of focus. This sat alongside building safety, both the day-to-day compliance checks on gas and electricity, but also the bigger projects to enhance high rise fire safety through installation of sprinklers and replacement of spandrel panels. A particular focus for the year was on the systems that underpin the business, with a strategic review of data management and a programme to introduce a new customer relationship management system to improve the customer experience. And work continued to grow the housing stock, improve environmental sustainability, tackle homelessness, enable independent living, provide money management advice, address domestic abuse, anti-social behaviour and safeguarding issues, and progress the Kingshurst Village Centre regeneration.

Nationally, there was a strong focus on strengthening regulation and raising standards for customers. The Housing Ombudsman issued new guidance for housing organisations, setting out clear expectations of better complaint handling. The Regulator of Social Housing set out plans for refreshed consumer standards and a probable new inspection regime, and the housing sector began to prepare for the introduction of a national set of Tenant Satisfaction Measures, which will start to be formally collected from April 2023.

The importance of building safety, particularly fire safety, continued to be highlighted as the second stage of the Grenfell enquiry drew to a close. Solihull Council and SCH have reviewed their own building safety governance structures as a consequence, introducing a new Building Safety Assurance Board and Board Building Safety Group respectively.

GOVERNANCE

Good governance is essential for SCH to achieve its objectives, drive improvement, maintain legal, regulatory and ethical standards, and provide assurance to Solihull Council as owner of the housing stock. As regulatory standards are strengthened, this will only become more important. SCH is governed by a Board of directors, with three sub-committees – Audit and Risk, Housing Operations, and Human Resources, Equalities and Remuneration. In addition, the Board has instituted a new Building Safety Group, as outlined above.

Strategic Report

31 March 2023
(continued)

Following the agreement of the Council, remuneration for Board members was introduced from April 2022, in order to recognise the commitment involved and the skills or experience required, bringing SCH into line with common sector practice. During the course of 2022, the Board recruited two new independent members, both with extensive housing sector experience, to chair the Audit and Risk, and Housing Operations sub-committees. Recruitment commenced for a third tenant Board member, following completion of a second term for an outgoing director. The Board also appointed new champions for building safety and customer experience.

The Board has adopted the National Housing Federation's Code of Governance and, during the year, undertook a self-assessment, identifying areas of non-compliance. On the basis of the assessment, the Board agreed a small number of improvement actions.

ANNUAL PERFORMANCE

SCH sets out its priorities for the year in its annual Delivery Plan. For 2022/23, these priorities are organised as strategic objectives aligned to the strategic aims set out in the SCH Strategic Vision. Each strategic objective has linked work packages and individual delivery milestones. A set of key performance indicators (KPIs) is included in the Delivery Plan.

Strategic Aims	Strategic Objectives
Creating Homes	Managing the stock portfolio in a proactive, green and holistic way
	Ensuring our homes and customers are safe
	Excellent delivery of core services
	Build new environmentally sustainable homes
More than Bricks and Mortar	Managing homes and neighbourhoods
	Preventing and reducing homelessness
Strengthening Communities	Services for vulnerable and older people
Excellent Customer Service	Improve data and systems
	Deliver an improved customer experience
Passion in People	Develop the SCH people offer

Strategic Report

31 March 2023
(continued)

Service performance and delivery is scrutinised rigorously, both through SCH's own structures, as well as the Council's monitoring. The SCH Board receives a quarterly update on performance exceptions and the Housing Operations Committee undertakes a full quarterly review of all key performance indicators. The Council oversees SCH performance through a Quarterly Monitoring Board, chaired by the Deputy Leader, and is represented at Board meetings by the Director of Economy and Infrastructure.

Performance outcomes against Delivery Plan priorities and KPIs are set out below for each service area.

ASSET MANAGEMENT AND DEVELOPMENT

Strategic aim: creating homes

Strategic objective 1: managing the stock portfolio in a proactive, green and holistic way

A programme of stock condition surveys is being carried out, which includes the completion of the Housing Health and Safety Rating System (HHSRS) and an Energy Performance Certificate. Option appraisals have been completed on two poor performing complexes (Greenhill Way and Longview, Castle View). Following strategic discussions, a medium-term decision has been taken to provide these properties as refugee accommodation. In the long term, it is planned to redevelop the Greenhill Way site for new two and three bedroom homes. It is likely that a change of use will be applied to Longview, Castle View.

A successful grant application Social Housing Decarb Fund (SHDF) – Wave 1 secured £575,000, to which the SCH capital programme will contribute a further £850,000. External wall insulation works have commenced and are scheduled for completion June 2023. A further grant application (for SHDF Wave 2) has also been submitted to the value of £1.2million. Future work programmes have been identified in anticipation of further grant funding opportunities.

Significant work has been carried out in conjunction with the council to set out a ten year asset management strategy, which will set out priorities for management of the stock over the next decade.

Strategic objective 2: ensuring our homes and customers are safe

Work continued on the installation of sprinklers in high rise buildings during the year. Taking into account the 2021 British Standard, the overall programme was revised and is due for completion during the summer of 2023. In addition to the installation of sprinklers, the main programme to install automatic fire detection in communal areas of high-rise buildings was completed at the end of June 2023.

The improvement plan created following an external review of the Asset Management Service was converted into an implementation plan and expanded to capture all requirements of the Building Safety Act 2022, associated legislative obligations as they become known, and wider audit recommendations. This will ensure that SCH remains compliant and residents are safe in their homes. The work to complete the plan will continue until early 2024-2025.

The management of damp and mould and the risk it poses to residents continues to receive increased regulatory focus on a national level. Information on how SCH manages damp and mould was submitted to the Regulator in December 2022. To ensure risks are being managed effectively, a damp and mould action plan with a dedicated working group was created, and additional resources were recruited to respond to the increase in damp and mould related inspections and repairs.

Strategic objective 3: excellent delivery of core services

The death of Awab Ishak, partially caused by prolonged exposure to damp and mould, has created fresh impetus to tackle this issue in social housing stock. All social landlords have been required by the Regulator of Social Housing to provide data on the incidence of damp and mould in their stock as well as their approach to treating and eradicating it. At SCH our approach to addressing damp and mould has focussed on encouraging maximum reporting and visibility of the problem and has included the following:

Strategic Report

31 March 2023
(continued)

- consolidating our data
- communication campaign to residents to encourage reporting
- joint work with public health to inform front line health workers (through written briefing and webinar) how to report and identify damp and mould in both social housing and other tenure types
- increased resourcing of the response team in asset management
- submission of return to the Regulator of Social Housing
- improving communication messages to residents.

Strategic objective 4: build new environmentally sustainable homes

The current phase of the new build development pipeline has commenced on the following sites:

- **Lakeside -** the development is for a new four storey replacement building containing twenty self-contained apartments with four standalone self-contained temporary accommodation apartments along with four general needs HRA houses, landscaping and associated parking provision, all constructed to meet the Low Carbon aspirations of SCH and SMBC. Demolition of the existing site has commenced.

- **Anglesey Avenue –** this is a development of five, two and three bed family houses for social rent with planning permission. The plan is to construct this scheme along with Lakeside given their relatively close proximity to each other. This will also help with economies of scale given the low number of unit yield at Anglesey Ave.

- **Daylesford Road** – two former garage sites; current designs will provide fifteen new homes across these two sites. This has been a complicated site with various constraints including the need to acquire private units and satisfy access road requirements.

- **Campden Green – former garage site –** three units, planning application currently being considered.

Strategic Report

31 March 2023
(continued)

KPI ref	KPI description	Target	Actual
AM1a	Gas safety	100%	99.94%
AM1b	Electrical safety	100%	98.64%
AM1c	Fire safety	100%	100%
AM1d	Asbestos safety	100%	100%
AM1e	Legionella safety	100%	100%
AM1f	Lift safety	100%	100%
AM4	Appointments kept – response repairs	98%	97.13%
AM7	Repairs completed right first time	95%	92.04%
AM17	Average number of repairs per property	2.5	1.46
AM20	Average time taken (days) to complete repairs	7.5	14.39
VL13	Rent loss due to voids	0.90%	1.63%
WB1	Minor adaptation works completed on time	98%	98.83%
WB2	Major adaptation works completed on time	99%	91.88%

HOUSING AND COMMUNITIES

Strategic aim: more than bricks and mortar

Strategic objective 5: managing homes and neighbourhoods

SCH manages the borough housing register (waiting list) on behalf of Solihull Council. This year has seen significant strides towards implementing a new allocations policy for spring 2024.

We have also developed two new modules for residents about to enter into their first tenancy agreement. These are aimed at helping prospective new tenants plan for their new home, covering areas such as paying their rent, budgeting, and what they might need (e.g. furniture).

A working group was established this year to explore ways in which we could speed up the process of allocating homes. This focused on a number of areas including reducing the number of refusals for new home offers made.

The Money Advice Team have been extremely busy this year, supporting SCH customers who have been affected by the cost-of-living crisis. We have seen around 100 new customers every month and have supported those customers through a variety of ways such as budget planning and accessing benefits and grants. The team has secured close to £2million in unclaimed benefits this year for customers.

Strategic Report

31 March 2023
(continued)

The cost-of-living crisis has undoubtedly been a real concern for residents across the country, and this has impacted rent collection figures this year. We have continued to encourage tenants facing financial difficulties to proactively contact us to make alternative payment plans and avoid losing their home. Our new income analytics tool helps target arrears through a prioritised caseload, and recommending tenants for contact at the right time, has been progressing well and we have just completed our first full year using this new system.

This has been a busy year for reviewing the service model for Housing and Communities, and in 2023/24, we will start to introduce some changes. We are moving to a number of specialist teams including Community Safety and will be merging our Allocations and Homelessness services.

Strategic objective 6: preventing and reducing homelessness

SCH provides a housing options and homelessness service on behalf of the Council. This year we have expanded and embedded the housing options we have available to support our customers to prevent or relieve their homelessness, resulting in a record high number of successful prevention and relief outcomes.

The Housing Options team has successfully co-located its frontline services with Solihull Council's Connect services, providing customers with an improved face-to-face service offer.

The number of customers requiring temporary accommodation has increased significantly in 2022/23, however, we have continued to work to the action plan, and have increased the number of flexible alternatives to budget hotel provision, by pursuing additional private sector leasing and nightly rate accommodation.

The Solihome team has embedded several incentives to support customers to access the private rented sector, inclusive of the DELSA (Don't Evict, Let Solihome Assist) initiative, which urges private landlords to contact SCH before they serve notice, to enable us to intervene and sustain the tenancy.

We have also embedded our domestic abuse pathway, ensuring that we maximise the use of specialist tools, including the Housing IDVA service, refuge placements and the Sanctuary Scheme.

Strategic aim: strengthening communities

Strategic objective 7: services for vulnerable and older people

Progress continues to be made on moving customers over to digital as part of the national switching initiative. This will be complete in 2024.

A full service review of the wellbeing service has been undertaken during the year, as well as an audit by Internal Audit. This has resulted in the development of a series of pilot initiatives (to run in 2023-24), designed to test ways to attract and retain new customers or add value to existing customers' packages, in order to bridge the gap between actual and budgeted income.

A review of service delivery has commenced to consider the potential for an integrated independent living service, bringing together wellbeing and aids/adaptations.

Strategic Report

31 March 2023
(continued)

KPI ref	KPI description	Target	Actual
NS21a	New tenancies sustained (year one)	90%	98.36%
NS1a	Rent collected (excluding arrears brought forward)	99%	100.76%
NS2	Leaseholder service charges collected	99%	99.62%
NS4	Rent paid by digital means (including direct debit)	82%	80.4%
WR2	Benefits awarded due to Money Advice Team	£1.5m	£2.0m
WR15	Current tenant arrears as % of rent debit	3%	3.51%
NS38	Harm reduction resulting from ASB intervention	80%	56.36%
NS9	Communal areas meeting required standard	98%	96.9%
NS10	Estate inspections completed	98%	100%
HO1	Average stay in temporary accommodation (days)	112	80
HO3	Average stay in budget hotels (days) for families	15	35
HO5	Homeless approaches where prevention or relief achieved	55%	55.26%
WB20	Customers supported with independence to remain in home	95%	89.96%

CUSTOMER SERVICES, TRANSFORMATION AND BUSINESS SUPPORT

Strategic aim: excellent customer service

Strategic objective 8: improve data and systems

Housemark undertook a data review during 2022 and identified three key actions:

* Develop a pragmatic data strategy
* Appoint a data governance lead
* Establish a data governance framework

Additional resources have been allocated to support work on data and business intelligence and a new Business Intelligence Manager will act as the data governance lead and take responsibility for delivering the data strategy and governance framework.

Housemark was also commissioned to provide short-term support within SCH to review existing data collation and reporting systems, in order to ensure these are robust as the sector moves towards enhanced regulatory requirements.

Strategic objective 9: deliver an improved customer experience

We have continued to embed and develop the approach to engaging with our communities and reflecting the resident voice through service delivery and development. This has led to SCH gaining Tpas accreditation, with an overall assessment score of 89%. Tpas stated

Strategic Report

31 March 2023
(continued)

'This is an excellent achievement for the organisation. A standout, trailblazing organisation for engagement and a collaborative culture across all teams.'

During the last 12 months we have strengthened the way we involve residents in the building safety agenda, in response to the changing regulatory and legislative landscape. We have a separate Building Safety Engagement Strategy and a number of different initiatives such as Building Safety Advocates, Building Safety Agreements and enhanced building safety communications.

The SCHape Panel has continued to work in partnership with SCH to scrutinise service delivery. It has carried out four reviews across voids and allocations, cost of living, damp and mould and the engagement framework and have made over 60 recommendations that have been approved by the Housing Operations Committee.

During 2022-23 the Contact Centre has created an internal quality framework document. The framework was created to offer clarity on the approach to quality assurance checks and identify how they link to the strategic vision and values. Having the transparency offered by the framework supports striving for excellence in customer experience as advisors and managers alike are clear on the How, What and Why of quality assurance checks.

SCH has implemented regular complaints 'learning and improvement cycles' around key drivers to reduce service failures at root cause and has also developed the role of customer complaints advocates across SCH to ensure the voice of customers and communities are a central part of the complaints process.

Strategic objective 10: develop the SCH people offer

SCH has enhanced the resourcing around both organisational development and learning and development. Two new posts will work alongside the Council's teams to maximise the support available to managers and staff. This will build on the work undertaken during 2022, when completion of mandatory training requirements improved from around 30% to 90%.

During the year, SCH was accredited at the first level of 'Thrive at Work'. A workplace commitment supporting employee health and wellbeing. A management task and finish group developed various initiatives to tackle sickness absence, which has resulted in a steadily improving position.

SCH continued its commitment to offering employment opportunities to local people through a further round of apprentice recruitment.

KPI ref	KPI description	Target	Actual
CR1	Complaints resolved at stage one	97%	94%
CR34	Complaints resolved in timescale	90%	93%
CR28	Tenants using customer portal	40%	43.48%
CR5	Short term employee sickness (days per person)	4	4.57*
CR2	Overall customer satisfaction (transactional)	85%	87.96%
CR31	Overall customer satisfaction (perception)	80%	77.9%
AM19	Satisfaction with repairs	90%	92.8%
CR35	Contact centre average speed of answer (seconds)	270	195

∗ Due to the in-year system change to Oracle Cloud data is not yet available for KPI CR5 for the period January-March 2023. 4.57 is as at 31 December 2022.

Strategic Report
31 March 2023
(continued)

FINANCIAL PERFORMANCE

The Revenue Management Fee, paid by the Council reduced from £19.771m in 2021/22, to £19.732m in 2022/23, as well as a capital programme of £21.787m (2021/22: £21.568m).

The financial performance (separating out the impacts of IAS19 – Pensions and taxation) against budget and the previous year can be summarised as follows:

	2022/23 Actual £'000	2022/23 Budget £'000	2021/22 Actual £'000
Revenue			
Income	25,511	23,885	24,404
Expenditure	(27,121)	(23,885)	(25,320)
Deficit	(1,610)	0	(916)
Capital			
Income	23,244	25,985	22,837
Expenditure	(23,244)	(25,985)	(22,837)
Surplus/ (Deficit)	0	0	0
Combined			
Income	48,755	49,870	47,241
Expenditure	(50,365)	(49,870)	(48,157)
Deficit before tax and pension adjustments	**(1,610)**	**0**	**(916)**
Corporation tax	(12)	0	(1)
IAS19 Pension adjustments	(2,950)	0	(3,254)
Loss per Income Statement	**(4,572)**	**0**	**(4,171)**

FUTURE CONSIDERATIONS

The Delivery Plan for 2023/24 has been framed around five themes, reflecting the priorities of SCH and those set out in the Council's own plan. These continue and develop much of what was highlighted in previous Delivery Plans, particularly around building safety, safeguarding and sustainability, but also building in new areas of focus, such as combatting damp and mould and addressing cost of living issues.

The five themes are underpinned by three enablers, which focus on how SCH works as an organisation.

Strategic Report

31 March 2023
(continued)

Delivery Plan Themes 2023-24

Providing accessible, affordable housing solutions for those in need

Investing in existing and new homes: providing quality homes by developing and acquiring new properties, and improving existing stock

Keeping customers safe in their homes: improving building safety and undertaking regular compliance checks

Supporting those in need: a holistic partnership-based approach to wellbeing, combatting financial, mental health and employment challenges

Improving neighbourhoods: investing in our communities, enhancing places where people live, and tackling anti-social behaviour, domestic and other forms of abuse

Green homes and sustainability: reducing the environmental impact of housing stock and SCH's operations, and reducing energy costs for residents

ENABLERS

Engagement: listening to the diverse voice of our customers, so they can shape and improve services

How we work: delivering sustainable, value-for-money services, proactively adopting digital technology to enhance how customers interact with SCH, whilst using robust data to drive evidence-led service improvement

Who we are: cultivating a great place to work, where a collaborative team feels supported, valued, empowered and motivated, equipped with the tools to deliver excellent services

ENABLERS

Strategic Report

31 March 2023
(continued)

Specific priorities within each theme/enabler are:

Themes:

Investing in new and existing properties: • Meet the Decent Homes standards set by the government • Combat damp and mould • Complete structural surveys of high-rise blocks as a basis for investment planning • Increase stock acquisition to meet housing need and provide community benefits • Implement new aids and adaptations policy to help residents live independently • Maximise building of new homes through the Council's property assets	**Green homes and sustainability:** • Prepare future programmes of work to deliver environmental initiatives in readiness for future grant funding sources • Secure grant funding from the government to carry out energy efficiency improvements to residents' properties • Complete external insulation works to properties so they are more energy-efficient • Reduce the amount of carbon SCH emits in delivering its services	**Keeping customers safe in their homes:** • Replacing the spandrel panels to improve fire safety across 16 high-rise blocks • Completing the installation of sprinklers across Solihull's 37 high-rise blocks • Engage customers to help develop building safety initiatives • Establish a building safety committee to provide assurance to the Board • Develop a building safety management strategy • Ensure regulatory compliance checks are in place for gas, electricity, water, asbestos, lifts and fire risk for every property

Improving neighbourhoods: • Lead the redevelopment of Kingshurst, including new community facilities • Enhance amenity spaces and tackle neighbourhood challenges to encourage thriving communities • Ensuring effective safeguarding through monitoring, audits and reporting by the internal assurance group • Ensure the SCH workforce is equipped to deal with safeguarding, domestic abuse and exploitation • Work towards achievement of Domestic Abuse Housing Alliance accreditation by 2024 • Strengthen the tackling of person and place-based anti-social behaviour	**Supporting those in need:** • Work collaboratively to strengthen the employment and skills offer for residents • Develop tenancy sustainment initiatives to minimise tenancy breakdowns • Enhance options for independent living through technology, property adaptation and service development • Strengthen money advice support, particularly focusing on those affected by fuel poverty and homelessness • Launch a revised allocations policy to reflect current needs and priorities • Target vulnerable customers for support during the winter months • Work with stakeholders to deliver a package of cost of living support measures

Strategic Report

31 March 2023
(continued)

Enablers

Customer engagement:	**How we work:**	**Who we are:**
• Embed the new customer engagement framework in service delivery and policy development, reflecting new regulatory requirements • Support the SCHape Panel to review new customers' experiences and other improvement areas • Strengthen complaint handling and improve the application of learning feedback • Develop a holistic customer experience strategy	• Improve data security • Review and strengthen the policy framework • Implement digital telephony enhancements to improve customer experience • Identify and address causes of repeat customer contact • Use management information to drive evidence-led service improvement • Identify and embed digital opportunities to improve customer service and streamline procedures • Develop a data strategy to ensure a robust and consistent approach to management and use of data	• Develop digital skills framework • Review internal communications to improve effectiveness of messaging • Embed two directorate model of working • Develop success plan for key roles affected by demographic challenges • Refresh the SCH culture to better align with business priorities • Develop more apprenticeship opportunities for local people

RISK MANAGEMENT

The Executive Leadership Team (ELT) undertook a full review of the main corporate risks facing SCH at the beginning of 2022. This is kept under regular review and, during the year, a new cyber security risk was added to reflect the growing threat in this area.

The other nine corporate risks are:

- Failure to meet regulatory obligations (excluding building safety/health and safety)
- Failure to ensure building safety
- Failure to ensure health and safety of customers, employees and contractors
- Failure to have robust systems and processes for data management
- Insufficient capital investment leads to failure to meet national standards
- Failure to manage contracts effectively
- Failure to have robust governance arrangements in place
- Insufficient or inappropriate use of resources to deliver SCH Delivery Plan commitments
- Failure to deliver outcomes defined in the People Strategy

ELT undertakes quarterly reviews of the risk register, with a particular service focus each time. The Board's Audit and Risk Committee also reviews risks on a regular basis and receives a report each quarter from the Council's Health, Safety and Risk Manager.

The Board's Statement on Section 172 of the Companies Act 2006

Under s172 of the Companies Act 2006, Solihull Community Housing (SCH) has a duty to promote the success of the company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in S172(1)(a-f) of the Act:

(a) Maintaining a high standard of business conduct.

(b) Acting fairly between the members of the business.

Strategic Report

31 March 2023
(continued)

(c) The interests of employees.

(d) Fostering business relationships with suppliers, customers, and others.

(e) The impact of operations on the community and the environment.

(f) The likely consequence of any decision in the long term.

The Board considers the key stakeholders to be:

- Its customers – tenants, leaseholders, other landlords and the public.
- Solihull Metropolitan Borough Council – Both as the sole shareholder and as a partner in providing aligned services for Solihull.
- Its employees – who are integral to the successful delivery of services.

The Board also needs to address the following:

- The issues, factors, and stakeholders the directors consider relevant in complying with the above and how we have formed that opinion.
- The methods the directors have used to engage with stakeholders and understand the issues to which they must have regard.
- The effect of that regard on the company's decisions and strategies during the year.

The SCH Strategic Aims and Objectives are set out at pages 5-11 as are the year-end KPI performance results and form part of an Annual Delivery plan agreed with the Council. The achievements are monitored regularly by managers who provide quarterly reports to the SCH Board and the Council. The Council has a rolling 30-year HRA plan updated annually and the SCH Management Fee and HRA capital programme are included. We agree an annual budget in the context of a balanced 3-year period. Recently we have undertaken detailed stock condition surveys to help improve the investment decisions into the housing stock.

The SCH Board hold 4 meetings a year supported by 3 sub-Committees in place as referred to at page 4. All reports include a requirement to consider:

- Financial Implications
- Equality and Diversity Implications
- Risk Management Implications
- Value for Money and Efficiency Considerations/Implications
- Tenant Involvement/Consultation
- Consistent with Business Plan

These considerations ensure decisions are made within the context of the wider implications that affect the community and tenants.

The relationship with our Shareholder is strong and there are a variety of meetings for SCH to interact with the Council. At an executive level, the Chief Executive meets regularly with the Council's Senior Leadership Team and the Director of Economy and Infrastructure, and the Executive Directors attend both the Council's Assistant Directors meeting on a periodic basis and the Economy and Infrastructure leadership team regularly. The Performance and Partnerships Group is a collaborative monthly meeting to look at performance and particular operational issues (e.g. homelessness, green homes, customer engagement, etc.). In terms of oversight, SCH reports to the Quarterly Monitoring Board, chaired by the portfolio holder, and attends the Council's Strategic Housing Board. Both the Scrutiny Board and the Cabinet member review and approve the Delivery Plan, which sets out SCH's priorities for the year ahead. Support services are provided through the Council giving access to various professional services such as finance, procurement, legal and HR services to enable well informed decision making and accurate reporting.

SCH have a strong, well embedded assurance framework demonstrated through the Annual Governance Statement. These assurances are strengthened by the support given by the Council's Internal Audit and Health

and Safety teams. An example being the collaborative work undertaken to retrofit sprinklers in the 37 High Rise Residential Buildings owned by the Council.

As a wholly owned subsidiary company of Solihull Metropolitan Borough Council, our primary objective is to deliver our core services – managing, maintaining, and delivering additional affordable rented homes. Working on behalf of the Council, SCH deliver landlord functions to tenants and leaseholders, statutory homeless duties and provide a range of wellbeing services to vulnerable adults. Examples of achievements are included within the Strategic Report.

Tenant satisfaction is important. In line with the new consumer regulation requirements, SCH is gathering data on the 22 Tenant Satisfaction Measures, which will be reported nationally. As part of the sprinkler programme, we integrated tenant engagement providing us with an opportunity to understand each and every tenant better and gather important data whilst ensuring tenants are fully informed of the programme and fire safety.

There is a SCHape panel in place comprising tenants who review the services SCH provide with a view to work with us to make improvements. Recent examples include damp and mould, void properties, and cost of living.

Company risks are recorded using the Council's risk register methodology and result in developing mitigating strategies. An example of this is the replacement spandrel programme which started as a potential risk that was escalated when senior officers sought further mitigation and recommended to the Board to undertake further work. This led to a recommendation to the Council to invest in replacement spandrel panels through a new capital programme project and SCH have recently concluded the procurement of a suitable contractor. Work has commenced and will continue into 2023/24 and 2024/25.

We consider the interests of our employees who benefit from stable employment prospects and a defined benefit pension scheme which allows employees to plan for their future. The Delivery Plan sets out the Passion in People programme, setting out SCH's organisational development priorities. For 2023/24 this includes supporting management and leadership development, introducing coaching, initiating an employee equality and diversity network, improving recruitment and retention, and recognising excellent employee performance. We have a variety of forums to engage with staff such as a regular newsletter sharing information about the Board. We formally recognise two Trade Unions and meet regularly with them.

The Council has allocated grant and core funding to SCH, and we work with community partners in the voluntary and public sectors to deliver additional services to reduce rough sleeping. This reflects our approach to working collaboratively with the community to deliver services for the benefit of those that need our help. We also work with the Council and in our own right to influence the direction of local and national housing policies that impact on tenants (for example, we join with others to attempt to influence government policy through the National Federation of ALMOs (NFA) and other bodies).

The cost-of-living crisis disproportionally affects the tenants we serve as over 72% are in receipt of either housing benefit or universal credit. We are contributing to the Council's "Here to Help" programme supporting vulnerable residents and we also have a Money Advice Team in place to support our tenants experiencing financial difficulties. The Council has provided further funding to the Money Advice Team enabling the recruitment of additional resources.

For further information regarding SCH please refer to our website.

Richard Hyde

Chair

4 September 2023

Report of the Directors

31 March 2023

The Directors present their report and the audited financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the management and maintenance of Council social housing stock and other related activities.

DIRECTORS AND CHIEF OFFICERS

The Directors and Chief Officers of the Company during the year and subsequently are set out on page 1.

SCH also has the following Committees who have responsibility for specific areas:

- Audit and Risk Committee
- Human Resources & Remuneration Committee
- Housing Operations Committee

EMPLOYEES

SCH recognises the importance of its dedicated employees and has continued with its blended approach to working which was introduced during the Covid pandemic. This has enabled a clear programme of communication and engagement with all staff including the cascade of Core Brief, regular face to face and virtual team briefs, an extensive intranet site as well as team meetings and briefings to continue. There are also clear lines of communication and reporting. Procedures are well documented for staff to raise any concerns and issues. Positive relationships with recognised trade unions (UNITE and UNISON) are in place with regular meetings to discuss changes and new policies that affect staff.

SCH is an equal opportunities employer and values equality, diversity and inclusion (EDI). We believe in fair treatment and prohibit discrimination or harassment of any kind and commit to promoting EDI in our employment practices. It is the purpose of SCH's Equality, Diversity and Inclusion Policy and the Recruitment and Selection Policy to ensure that SCH selects the most suitable person for the job based on merit, regardless of sex, gender, ethnicity, sexual orientation, disability, age, religious belief or any protected characteristics covered under the Equality Act 2010. During any recruitment selection process, reasonable adjustments are made for people with disabilities and any applicants with a disability who meet the essential criteria for a post will be offered an interview in line with the Department for Works and Pensions (DWP) Disability Confident Scheme.

SCH's commitment extends to people having equal access to development, as set out in its Learning and Development Policy. This includes ensuring staff working part time or particular shift patterns are also able to receive development that accommodates/considers their needs wherever possible. We ensure that staff who do not have day to day access to computers are not disadvantaged. Staff are given notice of the learning and development available and allocated dedicated work time to carry out any necessary training. The take up of learning and development opportunities is monitored to ensure there are no hidden gender, race or disability barriers to access.

A new staff appraisal system introduced in 2019 is now well embedded and SCH has invested in a staff development programme known as Passion in People for all staff to extend their skills and behaviours to better serve our customers. Progress has managed to continue throughout the year with the use of virtual tools such as video conferencing, on-line information and learning.

Our staff recognised the Covid pandemic has had an impact on the lives of our customers and this was a significant priority to us. We have worked hard to protect our most vulnerable customers and our staff have acted above and beyond in trying to tackle the increased challenges our customers face such as homelessness, domestic violence and protecting those that are clinically extremely vulnerable.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors and Chief Officers who were in office on the date of approval of these statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors and Chief Officers have confirmed that they have taken all the steps that they ought to have taken as Directors or Chief Officers in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Report of the Directors

31 March 2023

(continued)

AUDITORS

Following an external tender process RSM UK Audit LLP have been confirmed as auditor for the Company for an initial period of 3 years (up until 31 December 2022) which, following Board approval, has been extended to 31 December 2023.

STRATEGIC REPORT

The Company has chosen in accordance with S414C(ii) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the Company's Strategic Report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 within the Directors' Report. The Strategic Report is contained within pages 4 to 17.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year, these provisions remain in force at the reporting date.

APPROVAL

The report of the Directors was approved by the Board on the 4 September 2023 and signed on its behalf by:

Richard Hyde
Chair
4 September 2023

Statement of Directors' Responsibilities for the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors have elected under company law to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

a) select suitable accounting policies and then apply them consistently;

b) make judgements and accounting estimates that are reasonable and prudent;

c) state whether they have been prepared in accordance with UK-adopted International Accounting Standards;

d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Annual Governance Statement

31 March 2023

INTRODUCTION

The SCH Board acknowledges its overall responsibility for establishing and maintaining a system of governance, risk management and internal control to review the company's effectiveness and protect and make the best use of public funds.

The Board consists of ten members and three committees, namely the Audit and Risk, Housing Operations and Human Resources, Equalities and Remuneration committees, which are responsible for the strategic governance of the company. To provide additional assurance around resident and building safety there is a building and resident safety task and finish group that reports directly to the board.

This Annual Governance Statement covers SCH's significant corporate systems, processes, and controls, including in particular those designed to ensure that:

- Laws and regulations are complied with;
- Policies are implemented in practice and required processes are adhered to;
- High quality services are delivered efficiently and effectively;
- The company's values and ethical standards are met;
- Performance and financial statements and other published information are reliable;
- Human, financial, and other resources are managed efficiently and effectively.

The Annual Governance Statement is reviewed by the Audit and Risk Committee prior to its approval by the Board. Once approved, it is signed by the Chair and the Chief Executive before being published on SCH's website.

THE GOVERNANCE FRAMEWORK

The SCH governance framework comprises the policies, systems, and processes that SCH is directed and controlled by. The SCH values of **H**onesty, **E**xcellence, **A**chieving together, **R**espect and **T**ransparency underpin the framework and all the activities undertaken by the organisation. The framework also ensures that there are proactive processes for identifying, evaluating, and managing significant risks faced by the company. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

In addition to having a robust governance framework in place, SCH seeks to continuously refine and monitor the effectiveness of its governance arrangements and assurance. To further this approach, the SCH Board has adopted the National Housing Federation Code of Governance and annually reviews compliance with the code and action planning, with the last review being November 2022. The National Housing Federation is the trade body for Registered Social Landlords rather than ALMOs (trade body National Federation of ALMOs) and therefore some of the requirements of the Code do not apply to SCH.

As a wholly owned subsidiary of Solihull Metropolitan Borough Council, SCH is guided by the governance principles set out in the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government (2016). Given below are some key highlights of how SCH delivers its governance commitments in line with the principles of the Framework:

Annual Governance Statement

31 March 2023
(continued)

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Regulatory compliance to the Financial Conduct Authority regulations.
- Regulatory compliance with the requirements of Companies House.
- Compliance with the gas certification authority, Gas Safe.
- Compliance with the Housing Ombudsman Code of Guidance.
- Processes are in place to ensure we comply with the Right to Repair legislation and that adequate reporting and records are maintained in line with the Habitable Homes Legislation.
- Anti-fraud and corruption policies provide clear guidance and procedures for reporting conflicts of interest and the receipt of gifts and hospitality, including a mandatory annual declaration of interests by all staff and SCH Board Members. At the start of every SCH Board and Committee meeting members are asked to declare any interests arising from items on the agenda.
- A code of conduct for employees, including a disciplinary policy to enable individual cases to be resolved fairly, consistently and in a timely manner.
- A code of conduct for contractors to protect the interests of SCH tenants and leaseholders for whom SCH provides services, and protect contractors who deliver those services on behalf of SCH. The code includes guidance on not only conduct, safeguarding and confidentiality, but also provides clear direction on diversity and inclusion.
- Standing Orders incorporating Rules for Contract and Financial Regulations reviewed annually and made available for all staff on the intranet.
- Letter from regulator in November 2022 responded to within timescales.
- New code of guidance from the housing ombudsman implemented and the SCH complaints policy updated to achieve compliance.

Ensuring openness and comprehensive stakeholder engagement

Engagement with SCH customers and staff:

- A third of the places on the SCH board are reserved for tenants/ leaseholders.
- Multiple channels of communication have been developed, including regular business bulletins sent out via email with key updates and information.
- The customer engagement framework includes a wide range of mechanisms and activities to engage residents in the work of SCH including the Virtual Improvement Panel, SCHape panel and building safety advocates. The outcomes of this engagement shape the Delivery Plan.
- Tenant conference held in October 2022 to consult on the delivery plan, participants discussed any additional support which SCH could provide on the issues they were facing.
- Quarterly keep on track meetings between all senior management teams and line managers.
- The Executive Leadership Team has oversight of significant contracts, performance, and contractor satisfaction.
- Staff Engagement Group (SEG) drive a number of initiatives such as ‘SEG on the road’.
- HR, Equalities and Remuneration committee receives reports at each meeting on staff wellbeing and absence trends.
- Additional damp and mould guidance on the SCH website and new leaflets developed with resident engagement to provide advice to tenants.
- A Board member customer complaints champion in place from September 2022.
- Transactional and STAR quarterly tracker surveys were carried out on a quarterly basis covering 13 areas The area covered and scores are: response repairs (93%), new tenants (85%), ASB case handling (71%), contact centre call handling (80%), housing options (66%), capital works (89%), safer homes (95%), aids& adaptations (95%), compliant handing (45%), money advice (89%), sprinkler installation (93%), well-being (98%) and estate services (84%). Twelve surveys are undertaken monthly with estate services being conducted on a quarterly basis. In addition to running the thirteen surveys we report overall satisfaction (transactional) based on an aggregated score of the individual service area results. During 2022 the TSM measures were collected and reported in preparation for the new regulatory requirements.

SCH as part of its ongoing engagement with SMBC maintains accountability in the following ways:

- Quarterly ALMO monitoring meetings with SMBC and SCH to monitor performance, delivery plan and risk management.

- Annual delivery plan agreed with the Council goes through SMBC scrutiny process and then SMBC cabinet decision-making.
- Rolling 5-year management agreement agreed by the Council.
- Participation in the Strategic Housing board, building safety task and finish group comprising of board members and Building safety officer group with SMBC colleagues.
- A 10-year joint Asset Management Strategy (AMS) between SCH and SMBC.

Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Housing Operations committee reviews services and has oversight of the energy sustainability and environmental strategies, and receives an annual forestry report on the maintenance of trees on land managed by SCH.
- The SCH delivery plan has been developed against a backdrop of capturing the context of the changing housing sector, current economic pressures, and the voice of the customer.
- SCH has a strategy in place to deliver net zero emissions, to adopt:
  - an interim target to get all homes to EPC Band C by 2030;
  - a fabric-first approaches combined with renewable technologies;
  - super-insulated build systems with better energy performance and air tightness.

- SCH has developed a Business Sustainability Plan to achieve the 2030 target by -
  - quantifying our existing carbon emissions for business operations;
  - measuring the impact on carbon emissions through new blended ways of working;
  - agreeing a short-term strategy with the Council for electric vehicles, focusing on expanding charging infrastructure as a priority;
  - working to support the Council in the delivery of its Natural Capital strategy.

- Better social housing review published in December 2022 has recommendations for social landlords to make social housing fit for the future. The recommendations will be reviewed by the board and incorporated in the delivery plan as required.

Determining the interventions necessary to optimise the achievement of the intended outcomes

<u>Interventions aimed at better customer experience and outcomes:</u>

- Residents workshop to inform customers how to access the aids and adaptation service.
- Communication campaign to residents to encourage reporting of damp and mould.
- Joint work with public health to inform front line health workers how to report and identify damp and mould in both social housing and other tenure types..
- Social media trends are used to inform customer experience and interaction, for example using customer registration at SCH portal to access self-help and usage to determine further action to improve customer experience.
- Complaint handling training including compliance with new Housing Ombudsman Code of Guidance delivered to all teams.
- Use of Inclusive Services Register (ISR) to ensure that the services we provide are tailored to the needs of the resident, rather than making assumptions based on a resident's particular circumstances, leading to more fair and equitable access for all residents.
- Actions being undertaken to improve quality of the data and interrogation of systems to provide assurance based on Third-party review of data integrity.

<u>Interventions aimed at improving staff and stakeholder outcomes:</u>

- A framework of management meetings including Executive Leadership Team and Senior Leadership Teams that take account of improving staff and customer outcomes.
- Frontline managers group is a cross-functional group to improve communication and consistent messaging.
- Staff engagement group focusses on staff wellbeing, with a wellbeing calendar with a series of events to help staff.
- Promoting FIKA, a series of online exercises which can be used by individuals and teams to improve wellbeing.

Developing the entity's capacity, including the capability of its leadership and the individuals within it
• Service restructure to allow greater collaboration across operational areas of business and improved customer outcomes and increasing resilience and range in the Executive Team to enable better organisational decision making. • Formal recruitment, retention, training, and development policies for staff that incorporate annual appraisals of performance against targets that are consistent with the Delivery Plan and corporate objectives. • SCH has a training plan covering both mandatory and optional training for all staff, which includes regular refresher training on key areas such as Protecting Information, Data Protection, Equalities and Inclusion and Safeguarding. • Regular PDR reviews for managers to support better performance management. • Access to webinars on various subjects to support learning. • Promoting Apprenticeship schemes across business areas to develop talent internally. • The Board has oversight of the skills mix of its membership and reviews this regularly, tailoring recruitment accordingly. The Board members go through annual appraisals of their own contribution and bi-annual 360-degree feedback is provided to enable a high-performing board.
Implementing good practices in transparency, reporting, and audit to deliver effective accountability
• Board reports are available for the public to view on the SCH website. • Statutory accounts are published on the website. • Finance publishes expenditure over £250. • Public sector equality duty statement published on the website. • Publish the gender pay gap report annually. • Compliance with the Freedom of Information framework. • Performance information including average wait times for different types of accommodation published on the website. • Compliance with the Housing Ombudsman Code of Guidance published on the website. • Information presented in accessible formats.
Managing risks and performance through robust internal control and strong public financial management
• As a part of SCH's risk management approach the Audit and Risk Committee monitors the effective development and operation of risk management and considers compliance with the Risk Management Policy and Procedure. Annual report is presented to full Board on risk management in June each year. • A formal programme of internal audit work, carried out by officers independent of the Executive Leadership Team reports review processes and internal control; the recommendations are agreed by the Executive Leadership Team and are considered in detail by the Audit & Risk Committee. • Financial monitoring goes to the SCH Board on a quarterly basis so that all members take responsibility for financial oversight. • Quarterly financial monitoring reports to the Board to highlight any anticipated unplanned significant expenditure.

REVIEW OF EFFECTIVENESS

SCH undertakes an annual review of the effectiveness of its governance framework, including the system of internal control. The outcomes of the review are considered by the Chief Executive with support from the relevant officers, as well as the Audit and Risk Committee and the Chair. Once approved, the Annual Governance Statement is published alongside the Statement of Accounts.

ASSURANCE FROM MANAGEMENT

All Executive Directors have provided assurance that they are satisfied that staff within their sphere of control are compliant with the governance framework including Standing Orders, Rules for Contract, Financial Regulations, Health and Safety and Risk Management.

Each senior manager has also completed an individual self-assessment of their own area of control, highlighting any areas of concern or requiring further action to strengthen the control measures to safeguard company assets. Following this process, a detailed action plan has been developed, to further strengthen areas where Executive Directors highlighted any gaps in the control measures.

Annual Governance Statement

31 March 2023
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OTHER INTERNAL ASSURANCE

Audit Services

Internal Audit reviews were carried out remotely throughout the year in accordance with the annual internal audit plan, and recommendations for improvement were made and shared with ELT and the Audit and Risk Committee. Implementation of audit recommendations was tracked using an online recommendation tracking system and delays in implementation were escalated to senior management and reported to the Audit and Risk Committee.

There were no serious concerns identified during the audit reviews.

Risk Management

Responsibility for the strategic oversight of risk lies with the Audit & Risk Committee, with the Chair of the Committee taking responsibility for reporting any issues of concern to the SCH Board. Responsibility for operational risk management is owned by the Executive Leadership Team. The corporate and operational risk registers are monitored by both the Executive Leadership Team and the Audit & Risk Committee on a quarterly basis. The registers detail the identified risks and the mitigating actions in place to deal with them, as well as clearly defined management responsibilities for their identification, evaluation, and control.

In addition, there are defined mechanisms for shareholder (SMBC) oversight of key risks through the governance framework including the quarterly monitoring board and the strategic housing framework.

Performance Management

There are robust strategic and business planning processes which have included contributions from staff at all levels. An agreed suite of performance indicators (both local and national) is in place at team and corporate level, and these are monitored through regular reporting to management and the SCH Board, as well as by the council on a quarterly basis. Further reporting also takes place against the delivery plan, in respect of objectives, targets and outcomes. The Business Intelligence function has been strengthened as part of the restructure.

Data integrity has been identified as a key corporate focus area and detailed interventions and actions plans have been put in place to improve the quality of data captured as well as linking multiple data systems to enable easy integration of data to inform better decision-making.

Information Governance

SCH's approach to information governance is underpinned by policy, guidance, and training. This includes a full suite of policies based upon the information security standard BS ISO/IEC 27002:2013 and mandatory GDPR and Protecting Information training courses which all employees must complete (refresher every 2 years). There are clear management and accountability structures in place, which are outlined in the Information Governance Framework.

The SCH Governance Team works closely with the SMBC Information Governance Team to ensure full compliance with Freedom of Information and data protection requirements. Oversight of the internal governance arrangements is provided by both the Executive Leadership Team and Board, any failure to comply with statutory compliance with Companies House or Financial Conduct Authority would result in notifications from the relevant authorities. All data breaches were reported, investigated, and signed off by the relevant Executive Director. Learning points were identified from breaches, including staff being reminded of the need to be vigilant to avoid data breaches caused due to human error.

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31 March 2023
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Financial Management

SCH's Standing Orders, Rules for Contracts and Financial Regulations are agreed annually by the Board (last updated on 25 July 2022). This document incorporates legal requirements and reflects CIPFA guidance. SCH continues to report its budget and savings proposals via SMBC's Budget Strategy Group to ensure Council oversight and challenge of potential changes.

There is a robust financial monitoring process to identify non-compliance. Where this occurs, such as a forecast overspend, there are clear rules for escalation in place. Any forecast overspend is reported to the SCH Board through a quarterly financial monitoring report and where possible a solution is recommended and agreed.

There was a forecast year-end overspend identified in the first quarter of 2022/23 mainly as a result of inflation factors relating to utility costs, pay and contract costs which are outside of SCH's control. This has been reported to the Board as part of the quarterly finance reports and will be funded from SCH's reserves. The budget for 2023/24 has been rebased to include provision for these unexpected 2022/23 inflation increases.

Procurement

Procurement services are provided to SCH by the Council. Systems are in place for compliance with the SCH Standing Orders, Rules for Contract and Financial Regulations.

Spend monitoring outcomes are reported on an on-going basis to senior management and the Audit and Risk Committee, to ensure appropriate levels of challenge within the monitoring process. ELT now reviews all procurement approval documents to maintain tighter financial controls. Key risks have been recorded in the Procurement risk registers and are managed according to the risk profile.

Equalities Framework

Equality, Diversity, and Inclusion (EDI) are central to SCH's core values of Honesty, Excellence, Achieving together, Respect and Transparency (HEART). A key commitment that underpins everything we do is to 'Be Inclusive.' This means working in ways that ensure that everyone is valued, that their contributions matter and that people are able to realise their full potential regardless of their background, identity, or circumstances.

SCH meets its moral and legal responsibility to ensure that our business continues to meet the requirements of the Equality Act 2010. The delivery of our EDI strategy and action plan is fully supported by the Board and the Executive Team who regularly review progress and provide constructive challenge. Decision-making reflects EDI issues including completion of formal Fair Treatment Assessments for significant changes in policy and processes. Our employment policies and practices reflect well-recognised best practice where appropriate. Public accountability for achievements is demonstrated through the publication of Gender Pay Gap statistics and the Public Sector Equality Duty annual report that focusses on our role as a social landlord.

SCH has had no prosecutions or enforcement notices issues against it for breach of the Equality Act 2010 nor has the organisation been the subject of any external investigations relating to equality issues. There have been no adverse findings around equality issues by the Housing Ombudsman.

Health and Safety

Health and safety performance reports are presented on a regular basis to the Executive Leadership Team and the SCH Full Board. The reports provide an overview of key performance, including the number of reported accidents/incidents, commentary on key aspects of health and safety including legislative updates. As such, the reports confirmed that:

- health and safety arrangements are in place within SCH, but with some areas of improvement required;
- there have been no regulatory interventions or enforcement action taken against the SCH in the last year.

Services and teams have access to SCH health and safety policies and guidance which have been produced to assist managers and employees to comply with health and safety legislation and statutory requirements. A programme of audits and inspections was in place in 2022/23. To provide assurance on building safety, the Board has formed a task and finish group that receives regularly detailed reports. This feeds into a new Building Safety Assurance Board, formed by the Council and chaired by the Director of Economy and Infrastructure, as the Accountable Person.

Annual Governance Statement

31 March 2023
(continued)

Over the last year, SCH has strengthened its health and safety governance arrangements. A new Safety Leadership Group, chaired by the Chief Executive, meets quarterly and receives reports from the Building and Resident Safety Group and the Occupational Health and Safety Group, each chaired by an Executive Director.

Assurance from Customers (Complaints and compliments) and Ombudsman Complaints

The Housing Ombudsman Code of Guidance for complaint handling was updated in April 2022 and a self-assessment against the revised guidance was completed and submitted to Housing Operations Committee for approval in September 2022. The complaints policy and processes were updated to achieve compliance with the revised guidance.

Systems are in place for monthly monitoring of complaint handling compliance and follow up and the Executive Directors have monthly reports on complaints within their service areas.

All complaints are monitored by the Governance Team and any issues escalated to the relevant Executive Director and Executive Leadership Team.

Complaints and compliments:

SCH received 355 formal complaints and 281 compliments during 2022-23.
The majority of complaints were resolved at stage 1 of the complaints process with 5 percent progressing to stage 2.

ASSURANCE FROM EXTERNAL INSPECTIONS

External Audit

The last “Audit Findings” report issued by RSM UK Audit LLP was presented to Audit and Risk Committee on 27 June 2022. The report was positive, did not identify any control weaknesses and made no recommendations for management to consider.

RSM confirmed that in their opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

CONCLUSION AND EVALUATION

As Chair and Chief Executive, we have been advised on the results of the review of the effectiveness of SCH’s governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment, and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We are also satisfied that over the coming year, SCH will have recruited successfully to the two vacant independent board member posts to further strengthen our strategic leadership. We also commit to implementing any outstanding actions identified as part of this annual review of governance.

Richard Hyde
Chair

F. Hughes
Chief Executive

4 September 2023

Independent Auditor's Report to the Members of Solihull Community Housing Limited

Opinion

We have audited the financial statements of Solihull Community Housing Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Solihull Community Housing Limited (cont'd)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

Independent Auditor's Report to the Members of Solihull Community Housing Limited (cont'd)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are IFRS/UK-adopted IAS, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to building maintenance and safety legislation. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG
United Kingdom
Date

Statement of Comprehensive Income

for the year ended 31 March 2023

	Note	2023	2022
		£'000	£'000
REVENUE	1	48,755	47,241
Operating expenses	3	(52,875)	(50,912)
LOSS FROM OPERATIONS		(4,120)	(3,671)
Finance costs	4/16	(440)	(499)
LOSS BEFORE TAXATION		(4,560)	(4,170)
Income Tax expense	6	(12)	(1)
LOSS FOR THE YEAR	14	(4,572)	(4,171)
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Actuarial gain/ (loss) on defined benefit obligations	17	29,944	11,051
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,372	6,880

The loss from operations for the year arises from the Company's continuing operations (note 3).

The loss for the year is entirely attributable to its sole member (note 13).

Statement of Changes in Equity

for the year ended 31 March 2023

	Note	Total Equity & Reserves £'000
BALANCE AT 1 April 2021		(11,588)
Loss for the financial year to 31 March 2022		(4,171)
Actuarial gain relating to the pension scheme	17	11,051
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,880
BALANCE AT 31 March 2022		(4,708)
Loss for the financial year to 31 March 2023		(4,572)
Actuarial gain relating to the pension scheme	17	29,944
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,372
BALANCE AT 31 March 2023		**20,664**

Balance Sheet

at 31 March 2023

	Note	2023 £'000	2022 £'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	2,223	2,274
Right of use assets	16	449	782
Retirement benefit net asset	17	12,907	0
CURRENT ASSETS			
Inventories	9	102	104
Trade and other receivables	10	5,034	3,530
Cash and cash equivalents	15	10,008	11,479
TOTAL ASSETS		30,723	18,169
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	(9,179)	(7,550)
Current tax liabilities	6	(12)	(1)
Lease liabilities	16	(342)	(345)
Borrowings	7/12	(39)	(37)
		(9,572)	(7,933)
NON CURRENT LIABILITIES			
Borrowings	7/12	(372)	(411)
Lease liabilities	16	(115)	(446)
Retirement benefit net obligations	17	0	(14,087)
TOTAL LIABILITIES		(10,059)	(14,944)
NET ASSETS/ (LIABILITIES)		20,664	(4,708)
EQUITY – Attributable to parent			
Retained earnings	14	20,664	(4,708)
TOTAL EQUITY – ATTRIBUTABLE TO MEMBER		20,664	(4,708)

The financial statements on pages 31 to 56 were approved by the Board and authorised for issue on 4 September 2023 and are signed on their behalf by:

Mr Richard Hyde
Chair

Mr Mark Thrasher
Chair of Audit and Risk Committee

Statement of Cash Flows

for the year ended 31 March 2023

	Note	2023	2022
		£'000	£'000
OPERATING ACTIVITIES			
Cash (outflow)/ inflow from operations	15	(1,062)	1,087
Interest paid	4	(27)	(33)
Corporation tax paid		(1)	(10)
NET CASH (USED)/ GENERATED IN OPERATING ACTIVITIES		(1,090)	1,044
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	0	(81)
NET CASH USED IN INVESTING ACTIVITIES		0	(81)
FINANCING ACTIVITIES			
Repayments of borrowings	12	(37)	(35)
Repayment of lease liabilities	16	(344)	(386)
NET CASH USED IN FINANCING ACTIVITIES		(381)	(421)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(1,471)	542
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		11,479	10,937
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	10,008	11,479

Significant Accounting Policies

31 March 2022

BASIS OF ACCOUNTING

The financial statements have been prepared on the historical cost basis other than the revaluation of freehold properties. The principal accounting policies are set out below. The financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union ("IFRS") and the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

GOING CONCERN

The accounts have been prepared on a going concern basis. The Strategic Report sets details of the delivery plan and the five-year Strategic Vision which is the basis on which the directors have been able to make this assumption. This includes consideration of the trading activities of the Company along with the five-year rolling Management Agreement signed on 24 April 2015. The Council, at the Full Cabinet meeting on 9 February 2023, approved the roll-over of this agreement for the period 2023/24 to 2027/28. The Company also has sufficient cash reserves available should it be required to draw upon them.

The Council has provided the Company with a letter of support that confirms the Council has no plans to request repayment of the outstanding creditor balance in the period to the end of September 2024. This added to the ongoing unaffected level of revenue management fee for 2023/24 reinforces the accounts being prepared on a going concern basis.

REVENUE

Revenue consists of the invoiced value (excluding VAT) for goods and services supplied. The revenue taken to the Income Statement reflects the Company's right to consideration in exchange for performance.

Revenue is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement, applicable Service Level Agreement or contract for services.

Sales of goods or property are recognised when goods are delivered and title has passed. Delivery occurs when the risks and rewards of ownership have been transferred to the customer.

PROPERTY

Housing properties were initially recorded at cost less any identified impairment loss until the date of the first revaluation which took place on 31 March 2016. All Housing properties are now included within the accounts at Existing Use Value (Social Housing).

Completed properties are then subject to a full re-valuation every 5 years by an independent valuer who is a member of the Royal Institution of Chartered Surveyors - the market values for the properties being then adjusted to Existing Use Value - Social Housing (EUV-SH).

This method applies a reduction to the market value of the property in order to reflect the service potential of the asset in its delivery of social housing objectives. The percentage reduction applicable to the assets is that defined by the Ministry for Housing, Communities and Local Government. Where a change in the percentage applied to arrive at the EUV-SH value is considered to result in a material change in the value of the Company's assets, this change will be applied immediately as a desktop exercise, even where a full revaluation is not yet due.

The change in the EUV-SH percentage itself is assumed not to materially change the underlying value of the property.

Any amounts arising as a result of revaluation, exceeding the historical cost, are credited to the revaluation reserve.

Significant Accounting Policies

31 March 2023

(continued)

DEPRECIATION

Depreciation is calculated so as to write off the cost or revalued amount of an asset, less its estimated residual value, over the useful economic life of that asset. Depreciation is calculated using the straight line method at rates set out below. A full year's depreciation is charged in the year of acquisition and no depreciation in the year of disposal.

Freehold Land and Assets in the Course of Construction are not depreciated.
In accordance with International Accounting Standard 16 (IAS16), SCH's housing properties are split into their underlying components as defined by the BCIS "Component Life Survey" and each component is depreciated separately. SCH uses the following components with useful lives as shown:

- Substructure (over 50 years)
- Superstructure (over 50 years)
- Internal Finishes (over 40 years)
- Fittings (over 15 years)
- Services (over 25 years)
- External works (over 35 years)

HOUSING PROPERTIES

Depreciation is calculated on each component of the asset so as to write off the cost, less its estimated residual value, over the lower of 50 years or the useful economic life of each component. The useful economic life is determined separately for each development.

Revaluation gains and losses are applied across land and structure as appropriate.

IMPAIRMENT OF PROPERTY

At each reporting date, the Company reviews the carrying amounts of its property assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried above historical cost, in which case the reversal of the impairment loss is treated as a revaluation increase.

SHARED OWNERSHIP PROPERTIES

Properties acquired or constructed for re-sale are recorded as a current asset (within Inventories) at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Where a property is acquired for re-sale on shared ownership terms, the proportion of the asset related to the first “tranche” for sale is recorded as a current asset (as set out above) until it is sold, the balance is held as a non-current asset within Housing Properties and depreciated accordingly. The non-current asset element is revalued in line with the accounting policy (for Property) set out above. Revenue from the initial first “tranche” sales of shared ownership properties is recognised as revenue. Sales of subsequent tranches are recognised as the disposal of a non-current asset, with the profit or loss on disposal being credited to the Statement of Comprehensive Income.

Significant Accounting Policies

31 March 2023

(continued)

GOVERNMENT GRANTS

Grants in respect of revenue activities are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate, once reasonable assurance has been gained that the Company will comply with the conditions attaching to them and that the funds will be received.

The Company adopts the revaluation model for its housing properties and any related income from government grants is, therefore recognised by crediting the grant to revenue under the performance model.

Government grants released on sale of a property may be repayable but are normally available to be recycled are credited to a Recycled Capital Grant Fund and included in the Balance Sheet as a liability, where applicable.

OTHER GRANTS

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Company is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income and included as a liability in the Balance Sheet.

INVENTORIES (excluding Shared ownership properties)

Inventories are stated at the lower of cost and estimated value in use. Cost comprises direct material costs and (where applicable), direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the First in First Out (FIFO) method.

LEASES

IFRS 16 is the Lease Accounting Standard that came into effect from April 2019. The adoption of this new Standard resulted in SCH recognising a right-of-use asset and related lease liability in connection with all former operating leases, with the exception of:

- leases with a remaining lease term of less than 12 months from the date of initial application, or
- leases with a right of use asset opening net present value of less than £5,000

The standard has been applied using the cumulative catch-up approach with the right-of-use asset under leases being measured at an amount equal to the lease liability.

Depreciation has been applied to right-of-use assets on a straight-line basis from date of transition for existing leases or lease commencement date for leases entered into within the current financial year.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument.

Financial assets

Receivables: Trade and other receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment.

Significant Accounting Policies

31 March 2023

(continued)

FINANCIAL INSTRUMENTS (continued)

A provision for impairment is made where, in the opinion of the Directors, there is a reasonable likelihood that amounts will not be recovered in accordance with the original terms of the agreement. The level of the provision depends on the nature of the debt and the customer's payment history. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the Income Statement.

Cash and cash equivalents/liquid resources*:* Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of less than three months.

Bank overdrafts are presented within current liabilities.

Investments: Short-term investments, comprising short term deposits with maturities of three months or more, are stated at cost and classified as current assets.

Borrowings: Interest bearing loans and overdrafts are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemption, are recognised in the Income Statement over the term of the instrument using an effective rate of interest.

Payables: Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

TAXATION

The relationship between the Company and its parent undertaking has been recognised as non-trading in nature. Consequently, any activities that the Company carries on with its parent under its Management Agreement are not liable to corporation tax.

Where the Company has trading income from outside its parent Company, this may be liable to Corporation Tax. The tax payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date. The tax expense represents the sum of the current tax expense and deferred tax expense.

DEFERRED TAXATION

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the Statement of Changes in Equity, the related taxation is also taken directly to the Statement of Changes in Equity in due course.

At 31 March 2022, the Company had a potential deferred tax asset in respect of the pensions deficit of £14,087,000. In the current year, the company has a deferred tax liability in respect of the pension asset. See note 6 for further detail.

Significant Accounting Policies

31 March 2023

(continued)

PENSIONS

All permanent employees of the Company are entitled to join the local government "defined benefit" pension scheme, the West Midlands Pension Fund, which is administered by Wolverhampton City Council and provides members with defined benefits, related to pay and service. During the year, the Company paid an employer's contribution rate of 16.0% (2022: 16.0%) into the fund in addition to meeting all pension payments relating to added years benefits awarded during the year, together with any related increases.

In accordance with IAS 19 "Employee benefits" revised, the service cost of the pension provision relating to the period, together with the cost of any benefits relating to past service, and the administration cost is charged to the Income Statement. A net interest charge on the defined benefit liability based on the discount rate at the start of the year is included in the Income Statement under "Finance costs".

The difference between the fair value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet net of any deferred tax. Any difference between the expected return on assets and that actually achieved is recognised in the Statement of Comprehensive Income along with differences arising from experience or assumption (financial and demographic) changes.

Through its defined benefit pension scheme the company is exposed to a number of risks, the most notable being:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can require additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not fluctuate in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

Further information on pension arrangements is set out in Note 17 to the accounts.

STANDARDS ADOPTED EARLY BY THE COMPANY

The Company has not adopted any standards or interpretations early in either the current or the preceding financial year.

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – effective 2023

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – effective 2023

None of these standards are expected to have a material impact on the Company's financial statements.

Areas of Judgement and Risk Management

31 March 2023

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The Company makes estimates and assumptions concerning the future that are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The Strategic Report set out on pages 4 to 17 of these accounts sets out a commentary on the current and future trading activities of the Company as well as the key risks underlying its operations. The evidence gathered in this exercise forms a key element of the Directors' assessment of whether SCH continues to be a going concern.

The estimates (and related assumptions) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are in relation to the pension scheme and the property revaluations. The detailed assumptions in relation to the pension scheme are set out in Note 17 to the accounts. Solihull Community Housing's ("SCH") parent, Solihull Council confirms on an annual basis that they expect SCH to make best endeavours to maintain a fully funded scheme by complying with any guidance issued by the actuary with regard to contribution levels. In line with the Company's accounting policies its property portfolio is revalued every five years. The first such revaluation took place on 31 March 2016 with the most recent full revaluation taking place on 31 March 2021. Details are set out in Note 8 to the accounts.

FINANCIAL RISK MANAGEMENT

The Board of SCH is responsible for identifying, evaluating and managing the significant risks faced by the Company. The Chair of the Audit and Risk Committee jointly champions risk management (including the management of financial risks) throughout SCH on an ongoing basis together with the Chief Financial Officer

The Chief Executive and SCH's Executive Management Team (EMT) are collectively responsible for managing strategic risks as well as being responsible for managing operational risks in their individual areas of responsibility.

SCH maintains a Corporate Risk register and each Executive Director maintains a supporting Service Risk Register. A series of workshops have been held this year to rebuild these risk registers from the ground up. These registers set out the identified risks and the mitigating actions in place to deal with these risks, as well as clearly defined management responsibilities for their identification, evaluation and control. The Executive Leadership Team (ELT) carry out quarterly formal reviews of the registers and report the strategic risks to the Board twice a year.

Monitoring exposure to financial risks forms a key part of SCH's overall risk management processes. The Annual Governance Statement set out on pages 21 to 27 of these accounts sets out a more detailed explanation of SCH's approach to the management of both financial and operational risk.

Liquidity Risk and Credit Risk

SCH's objective is to meet its liabilities as they fall due whilst maintaining sufficient funds to enable the Company to react to unexpected changes in market conditions.

The Company is largely dependent on its largest customer, Solihull Council. The Capital and Revenue Management Fees and income from Service Level Agreements from Solihull Council represent 95% (2022: 94%) of SCH's income and are receivable monthly in advance. SCH is dependent on Management Fee income in order to maintain the necessary cash flow to operate effectively.

Solihull Community Housing is exposed to liquidity risk principally in the event that the Council were to experience cash flow difficulties in paying the management fee monthly. Despite the recent Coronavirus pandemic and the impact this has had to the Council's revenue finances, it is still considered by the Board that the likelihood of this risk arising is remote.

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value. All financial assets have a fair value which is equal to their carrying value.

Areas of Judgement and Risk Management

31 March 2023

(continued)

Liquidity Risk and Credit Risk (continued)

Credit risk predominantly arises from trade receivables of the Company's total 2023 financial assets, £2,750,557 (2022: £2,743,655) is owed to the Company by Solihull Council and the SCH Board therefore also consider that the likelihood of this risk arising is remote. The remainder are cash/cash equivalents and amounts due from third parties. Other trade receivables are limited in value.

SCH has joint banking arrangements with Solihull Council but the Company's arrangements reflect its independence (e.g. a separate bank account, bank mandate and signatories).

Solihull Council carries out Treasury Management on behalf of SCH under a Service Level Agreement (SLA). Surplus funds for both Solihull Council and SCH are pooled and deposited overnight and on longer arrangements, under a formal agreement between the two parties. The resulting interest is credited to the Council's Housing Revenue Account (HRA), and thus supplements the Management Fee payable to SCH.

Interest rate risk

SCH's interest rate risk is limited to the following areas:

- The rate that the Housing Revenue Account (HRA) earns on its balances - which directly affects the management fee payable to SCH (see above).
- Solihull Council's Consolidated Rate of Interest (CRI) on the loan to finance SCH's developments and Planned Preventative Maintenance programme

All the Company's 2023 and 2022 Financial Assets are non-interest bearing.

All the Company's 2023 and 2022 Trade and Other Payables are non-interest bearing. The interest rates applicable to the Company's 2023 and 2022 Borrowings are set out in Note 12 to these accounts, where these amounts are analysed by interest type.

Capital Management

The Company's main objective when managing capital is to ensure that it maintains sufficient capital to ensure that the Council's tenants continue to receive an excellent housing management service from the Company. The level of management fee agreed with the Council annually in respect of the Management Agreement and the Company's level of operating efficiency are the principal determinants of the level of equity that the Company is able to retain. As a Company limited by guarantee, the only equity capital of the Company is represented by its retained earnings reserves.

The Company's level of debt is not significant. "Net debt" is defined as including short and long-term borrowings (including overdrafts and lease obligations) net of cash and cash equivalents and represents net positive funds of £9,140,000 at 31 March 2023 (2022: £10,240,000).

The Company does not have any externally imposed capital requirements and has not made any changes to its capital management during the year.

Notes to the Financial Statements

for the year ended 31 March 2023

1. REVENUE

Sales were made wholly in the United Kingdom and derived from the Company's principal activity of housing management, including rental of properties.

2. SEGMENT INFORMATION

IFRS8 requires the provision of segmental information for the Company on the basis of information reported internally to the chief operating decision-maker for decision-making purposes. The Company considers that the role of chief operating decision-maker is performed by the Company's Board of Directors and all results are reported as a single segment.

3. PROFIT FROM OPERATIONS

Loss/ profit from operations is stated after charging:	2023	2022
	£'000	£'000
Inventories		
- cost of inventory recognised as an expense	1,011	865
Depreciation of owned property, plant and equipment	51	52
Depreciation of leased assets	341	389
Auditor's fees:		
- audit services	34	28
- taxation	2	2
Rentals under operating leases	15	2

The following table analyses the nature of expenses:		2023	2022
		£'000	£'000
Staff costs	5	15,097	14,612
Asset management		29,180	28,693
Housing management		4,911	4,574
Corporate services		3,687	3,033
Total expenditure		52,875	50,912

4. FINANCE COSTS

		2023	2022
		£'000	£'000
Interest on net pension liability	17	(414)	(466)
Prudential borrowing interest		(18)	(20)
Interest on lease liabilities	16	(8)	(13)
		(440)	(499)

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

5. STAFF COSTS	**2023 No**	**2022 No**
The average monthly number of persons employed by the Company during the year was:		
Non-executive Directors	9	9
Executive Management Team	3	4
Housing and Communities	134	124
Assets and Development	104	123
Procurement	0	2
Customer Service Transformation and Business Support	51	61
	301	323

Staff costs, including directors:	**2023 £'000**	**2022 £'000**
Wages and salaries	8,796	8,753
Social security costs	898	836
Other pension costs	3,911	4,078
Modernisation and redundancy costs	135	66
Sub-total employed staff costs	13,740	13,733
Agency costs	1,358	879
Total staff costs	15,098	14,612

Remuneration of key management personnel:
The remuneration of the non-Executive directors and the Executive Management Team of the Company in aggregate is as follows:

	2023 £'000	**2023 Average per full time equivalent**	**2022 £'000**	**2022 Average per full time equivalent**
Short term employee benefits (Pay & Employers NI)	457	152	545	136
Post employment benefits (Employers Pension)	61	20	63	16
	518	172	608	152

The role of the Chief Financial Officer in SCH is undertaken by the Council's Assistant Director of Finance and Property Services and spends approximately 50% of her time on SCH business. This 50% costs the Council £65,280 (2022: £62,361). This is not included within the staffing details above as the role forms part of an overall Service Level Agreement (SLA) paid by SCH to the Council at a total cost of £1,245,280 (2022: £1,238,670). The SLA provides the company with support services for Finance, Human Resources, Information Technology, Health and Safety and Equalities.

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

5. STAFF COSTS (continued)

The remuneration of the Main Board of the Company in aggregate is as follows:

	2023 £'000	2022 £'000
Chair	9	8
Committee Chairs	7	-
Other Board Members	27	-
	43	8

In addition to above, in total Board Members incurred and were reimbursed £1,000 for incidental expenses associated with attending Board meetings and formal events in their capacity as Board members (2022: £1,000).

6. INCOME TAX EXPENSE

ANALYSIS OF CHARGE IN YEAR	2023 £'000	2022 £'000
Current Tax:		
UK – Current year	12	1
	12	1

Current tax reconciliation:	2023 £'000	2022 £'000
Loss before tax	(4,560)	(4,170)
Depreciation	392	441
IAS19 adjustments:		
- Other finance income	414	466
- Past and present service costs	3,834	4,034
	80	771

	2023 £'000	2022 £'000
Tax at the standard rate of corporation tax 19% (2022: 19%)	15	146
Effect of non-trading activities with member not subject to corporation tax	(3)	(145)
	12	1

Where the Company has income related to trading outside of the council, this is taxable. During the reporting year income from the ownership and management of the company's own developments and from the company's 'Better Places' service were subject to Corporation Tax. A taxable profit of £61,000 arose in the year and is reflected in these statements (2022: £5,000).

On the basis that we are not expecting to sell the housing properties owned by the Company, no allowance has been made within these financial statements for deferred taxation as a result of revaluations of housing properties undertaken (last revaluation: 31 March 2021). Any such sales would only be taxable if sold to a party other than the Council.

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

7. FINANCIAL INSTRUMENTS

Assets at amortised cost:		**2023 £'000**	**2022 £'000**
Current financial assets			
Trade and other receivables	10	3,119	3,147

Liabilities at amortised cost:		**2023 £'000**	**2022 £'000**
Current financial liabilities			
Trade and other payables	11	9,394	7,202
Borrowings	12	39	37
		9,433	7,239
Non-current financial liabilities			
Borrowings	12	372	411
Total other financial liabilities		9,805	7,650

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

7. FINANCIAL INSTRUMENTS (continued)

MATURITY ANALYSIS

Financial Assets

The table below analyses the Company's financial assets which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

		2023	2022
		£'000	£'000
Within 6 Months			
Trade and other receivables	10	3,119	3,147

Financial Liabilities

The table below analyses the Company's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at 31 March 2023 up to the contractual maturity date:

		2023	2022
		£'000	£'000
Within 6 Months			
Trade and other payables	11	9,394	7,142
Borrowings	12	39	37
6 Months to 1 Year			
Payables due 6 months to 1 year: retentions on construction projects		-	60
1 to 5 Years			
Borrowings	12	372	411
Total		9,805	7,650

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

8. PROPERTY

	Freehold Land	Completed Properties available for letting		Total
		Rented	Shared Ownership	
	£'000	£'000	£'000	£'000
Valuation:				
At 1 April 2021	770	1,729	238	2,737
Additions	-	-	81	81
Loss on revaluation	-	-	(67)	(67)
At 31 March 2022	770	1,729	252	2,751
Additions	-	-	-	-
Loss on revaluation	-	-	-	-
At 31 March 2023	770	1,729	252	2,751
Accumulated depreciation and any recognised impairment losses:				
At 1 April 2021	-	(371)	(54)	(425)
Charged in the year	-	(45)	(7)	(52)
At 31 March 2022	-	(416)	(61)	(477)
Charged in the year	-	(44)	(7)	(51)
At 31 March 2023	-	(460)	(68)	(528)
Net book value:				
At 31 March 2023	770	1,269	184	2,223
At 31 March 2022	770	1,313	191	2,274
At 31 March 2021	770	1,358	184	2312

The depreciation expense of £51,000 (2022: £52,000) and the revaluation loss of £nil (2022: £67,000) have been charged to operating expenses within the Income Statement.

In line with our accounting policy, all properties owned by Solihull Community Housing were subject to a full revaluation at 31 March 2021 which resulted in a revaluation gain of £442,000. As the value of these assets does not exceed historical cost the revaluation gain has been recognised in the Statement of Comprehensive Income.

The next full revaluation of these properties is due in 2025/26, in line with the current accounting policy.

SCH received a total of £781,000 of Social Housing Grant towards the development of these properties; this sum was recognised as income in 2015/16 in line with the first full revaluation.

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

8. PROPERTY (continued)

Had the Company adopted the Cost Model the carrying value of the assets would be as follows:

	Freehold Land	Completed Properties available for letting		Total
		Rented	Shared Ownership	
	£'000	£'000	£'000	£'000
Historic Cost	613	1,806	163	2,582
Accumulated Depreciation at 31 March 2023	-	(632)	(60)	(692)
Net Book Value Cost Model at 31 March 2023	613	1,174	103	1,890

9. INVENTORIES

	2023	2022
	£'000	£'000
Raw materials and consumables	102	104
	102	104

Raw materials and consumables set out above are carried at the lower of cost and net realisable value. The replacement cost of the above stocks would not be significantly different from the values stated.

10. TRADE AND OTHER RECEIVABLES

	2023	2022
	£'000	£'000
Trade receivables	2,778	2,740
Other receivables including rent	557	790
Other tax and social security	1,699	-
	5,034	3,530

The average credit period taken on provision of services is 14 days (2022: 11 days).

An allowance has been made for estimated irrecoverable debtors of £118,000 (2022: £174,000). This allowance has been based on the knowledge of the financial circumstances of individual customers at year-end.

The following table provides an analysis of trade and other receivables that were past due at 31 March but not impaired. The Company believes that these balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2023	2022
	£'000	£'000
Up to 3 months	63	144
Up to 6 months	5	-
Greater than 6 months	15	4
	83	148

Notes to the Financial Statements

for the year ended 31 March 2023
(continued)

10. TRADE AND OTHER RECEIVABLES (continued)

The movement in the allowance account was as follows:	2023 £'000	2022 £'000
Opening balance as at 1 April	163	82
Provision for receivables impairment	33	95
Receivables written off during the year	(66)	(10)
Unused amounts reversed	(12)	(4)
Closing balance as at 31 March	118	163

At the year end all trade and other receivables were denominated in sterling.

11. TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Amounts payable relating to invoiced amounts	1,547	3,683
Accruals and deferred income	6,962	3,013
Other tax and social security	235	346
Other creditors	435	508
Current trade and other payables	9,179	7,550

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 19 days (2022: 16 days).

The Directors consider that the carrying amount of trade payables approximates to their fair value.

At the year end all trade and other payables were denominated in sterling.

12. BORROWINGS

	2023 £'000	2022 £'000
Less than 1 year		
Prudential borrowing from SMBC	39	37
Greater than 1 year		
Prudential borrowing from SMBC	372	411
	411	448

Interest Rate Summary	2023 £'000	2022 £'000
Floating rate	411	448
	411	448

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

12. BORROWINGS (continued)

A floating rate loan from Solihull Council to finance SCH's development of properties for rent and shared ownership - £411,000 (2022: £448,000). This is a floating rate loan repayable over 22 years from 2010/11 to 2031/32. Interest is charged at the Council's Consolidated rate of Interest (CRI). The loan is secured on the developed properties.

13. COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, incorporated in the United Kingdom, and is governed by its Memorandum and Articles of Association. The guarantor is its sole member, Solihull Metropolitan Borough Council, (see note 18) as listed in the Company's Register of Members. The liabilities in respect of the guarantee are set out in the Memorandum of Association and are limited to £1 per member of the Company.

14. RESERVES	**2023**	**2022**
	£'000	**£'000**
Retained Earnings		
At 1 April	(4,708)	(11,588)
Retained loss for the year	(4,572)	(4,171)
Actuarial gain/ (loss)	29,944	11,051
Total Equity and Reserves	20,664	(4,708)

Reserves consist of a retained earning reserve which is used to recognise the cumulative profit and loss net of any distributions for future specific activities and the pension reserve which is used to record the current pension fund deficit.

15. CASHFLOWS	**2023**	**2022**
	£'000	**£'000**
Reconciliation of operating loss to net cash inflow/ (outflow) from operating activities		
Operating loss before tax	(4,120)	(3,671)
Depreciation and amortisation	392	441
Loss on revaluation of fixed assets	3	67
Pension contributions paid in period	(1,339)	(1,285)
Pension contributions charged in the period	3,875	4,074
Decrease/ (Increase) in inventories	2	(10)
Increase in debtors	(1,504)	(705)
Increase in creditors	1,629	2,176
Net cash (outflow)/ inflow from operating activities	(1,062)	1,087

CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent:	**2023**	**2022**
	£'000	**£'000**
Cash at bank and in hand	10,008	11,479
	10,008	11,479

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

16. COMMITMENTS UNDER LEASES

Right-of-use assets	Land and buildings £'000	Plant and machinery £'000	Total £'000
Balance at 1 April 2022	10	772	782
Depreciation charge for the year	(10)	(331)	(341)
Lease modifications recognised in year	-	(3)	(3)
Lease additions during year	-	11	11
Balance at 31 March 2023	-	449	449

Total value of lease commitments	Land and buildings 2023 £'000	Land and buildings 2022 £'000	Plant and machinery 2023 £'000	Plant and machinery 2022 £'000
Expiry of lease:				
Within 1 year	-	10	342	345
Between 2-5 years	-	-	113	451
After 5 years	-	-	-	-
Total undiscounted lease liabilities at 31 March 2023	-	10	455	796
Lease liabilities included in the statement of financial position at 31 March 2023	-	10	457	781
Current	-	10	342	335
Non-current	-	-	115	446

Amounts recognised in statement of comprehensive income	**2023 £'000**
Interest on lease liabilities	8
Expenses relating to short-term leases	15

Amounts recognised in statement of cash flows	**2023 £'000**
Total cash outflow for leases	344

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

17. RETIREMENT BENEFIT OBLIGATIONS

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2022 for the purposes of the IAS 19 valuation for inclusion in these financial statements prepared by Hymans Robertson LLP, a registered actuary engaged by West Midlands Pension Fund. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method.

	2023	2022
Key assumptions used:	%	%
Discount rate	4.75	2.70
Future salary increases	3.95	4.20
Future pension increases	2.95	3.20
CPI increases	2.95	3.20

Mortality rate assumptions are based on publicly available data in the UK.

The average life expectancy for a pensioner retiring at 65 on the reporting date is:	2023	2022
Male	86	86
Female	90	89

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:	2023	2022
Male	87	88
Female	90	90

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in Assumption	Overall Impact on Liability
Discount rate	Decrease by 0.1 %	Increase (£1,227,000)
Short term salary increase	Increase by 0.1%	Increase £124,000
Pension growth rate	Increase by 0.1 %	Increase £1,121,000
Rate of mortality	Increase by 1 year	Increase £2,811,000

Amounts recognised in profit or loss in respect of this defined benefit scheme are as follows:

	2023	2022
	£'000	£'000
Current service cost	3,834	4,034
Net interest on liability	414	466
Administration cost	41	40
Total operating charge	4,289	4,540

Of the charge for the year: £3,875,000 has been charged to operating costs (2022: £4,074,000); £414,000 has been charged to finance costs (2022: £466,000).

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Actuarial gains and losses are reported as other comprehensive income and expense:

Gain recognised is £29,944,000 (2022: £11,051,000);

Cumulative gain is £32,732,000 (2022 restated: £2,788,000*).

The actual return on scheme assets was a loss of £1,401,000 (2022: gain of £6,757,000).

*Prior year reported cumulative loss of £269,000 was incorrect due to errors in the brought forward figures, originating from financial years 2010/11 to 2013/14.

The amounts included in the Balance Sheet arising from the Company's obligation in respect of the defined benefit retirement scheme are:

	2023	2022
	£'000	£'000
Fair value of scheme assets	83,190	84,139
Present value of defined benefit contributions	(70,283)	(98,226)
Asset/ (liability) recognised in the Balance Sheet	12,907	(14,087)

Movements in the liability recognised in the Balance Sheet in the current period:	2023	2022
	£'000	£'000
At 1 April	(14,087)	(21,884)
Current service cost including curtailments	(3,834)	(4,034)
Interest cost	(2,685)	(2,012)
Remeasurement arising from changes in financial assumptions	33,229	5,846
Expected return on scheme assets	2,271	1,547
Actuarial (losses)/ gains	(3,285)	5,205
Administration expenses	(41)	(40)
Employer contributions	1,339	1,285
At 31 March	12,907	(14,087)

Movement in the present value of defined benefit obligations in the current period:	2023	2022
	£'000	£'000
At 1 April	98,226	99,312
Current service cost including curtailments	3,834	4,034
Administration expenses	41	40
Interest cost	2,685	2,012
Remeasurement arising from changes in financial assumptions	(33,229)	(5,846)
Contributions by plan participants	548	533
Benefits paid	(1,822)	(1,859)
At 31 March	70,283	98,226

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Movement in the fair value of scheme assets in the current period:	**2023**	**2022**
	£'000	**£'000**
At 1 April	84,139	77,428
Expected return on scheme assets	2,271	1,547
Actuarial (losses)/ gains	(3,285)	5,205
Employer contributions	1,339	1,285
Employee contributions	548	533
Benefits paid	(1,822)	(1,859)
At 31 March	83,190	84,139

Analysis of the scheme assets and the expected rate of return at the reporting date:

	Expected return		**Fair value of assets**	
	%	**%**	**£'000**	**£'000**
	2023	**2022**	**2023**	**2022**
Equity instruments	4.8	2.7	45,528	45,376
Debt instruments	4.8	2.7	17,082	18,895
Property	4.8	2.7	5,838	6,035
Alternatives	4.8	2.7	12,146	10,529
Cash	4.8	2.7	2,596	3,304
	4.8	2.7	83,190	84,139

Since 2016 the overall rate of return on scheme assets is calculated with reference to the overall discount rate. These were previously determined by reference to relevant indices.

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

The five year history of experience adjustments are as follows:

At 31 March:	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of plan assets	83,190	84,139	77,428	64,978	65,393
Present value of defined obligation	(70,283)	(98,226)	(99,312)	(76,964)	(80,133)
Surplus/ (deficit) in the plan	12,907	(14,087)	(21,884)	(11,986)	(14,740)
Re-measurement on Assets	(3,285)	5,205	10,995	(1,829)	731
Experience adjustments arising on plan liabilities	(3,544)	(212)	929	185	-
Gain/ (loss) on financial assumptions	36,181	5,496	(17,965)	8,017	(3,520)
Gain/(loss) on demographic assumptions	592	562	(2,104)	(2,104)	4,427
Total Actuarial gain/ (loss) for year	29,944	11,051	(8,145)	4,269	1,638

The estimated amounts of contributions expected to be paid to the scheme during the financial year ending 31 March 2024 is £1,825,000.

18. RELATED PARTY TRANSACTIONS

The Company's parent and ultimate parent is Solihull Metropolitan Borough Council. Their consolidated Financial Statements are available from Solihull Metropolitan Borough Council, The Council House Complex, Manor Square, Solihull, B91 3QB.

Solihull Community Housing Limited is an Arm's Length Management Organisation with a contract from the ultimate parent (Solihull Metropolitan Borough Council) which passes on responsibility for the management and maintenance of the Council's homes and other related buildings.

During the year the Company:	2023 £'000	2022 £'000
- supplied goods and services to SMBC	46,313	44,569
- purchased goods and services from SMBC	7,511	3,134
At 31 March		
- included in year-end Debtors owed by SMBC	2,751	2,744
- included in year-end Creditors owing to SMBC	(2,353)	(374)
- included in year-end Borrowings owing to SMBC	(411)	(448)
- Net balance due from SMBC	(13)	1,922

Included in the above figures is a loan from Solihull Council to fund SCH's own development of properties for rent and shared ownership. Further details are set out in note 12. The loan is secured against the assets that it was used to develop. As at 31 March 2023 the balance outstanding was £411,000 (2022: £448,000).

Apart from this loan the amounts outstanding that are recorded in the accounts are unsecured, carry or bear no interest and will be settled in cash. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Notes to the Financial Statements

for the year ended 31 March 2023

(continued)

18. RELATED PARTY TRANSACTIONS (continued)

During the year the company also purchased goods or services from the below companies. Fletcher Property Rentals Limited, Housemark Limited and the National Federation of ALMOs Limited have current Directors who are also serving Board members of SCH:

	2023	2022
	£'000	£'000
Fletcher Property Rentals Limited		
- purchased goods or services	54	44
Housemark Limited		
- purchased goods or services	52	101
National Federation of ALMOs Limited (from 2022/23)		
- purchased goods or services *	13	-
Savills (UK) Limited (to 2021/22)		
- purchased goods or services *	-	37
At 31 March		
- Included in year-end Debtors	21	1
- Included in year-end Creditors	(11)	(14)

19. CAPITAL COMMITMENTS

At 31 March 2023 the Company had no capital expenditure commitments (2022: £nil)

20. CONTINGENT LIABILITY

Until 31 March 2018, the Company acted as an agent for Severn Trent Water collecting water charges due from tenants and receives a commission payment for doing so - this contract has now ended. There is currently a case underway in London (Jones v London Borough of Southwark) where a judgement has been made that the Council was acting as a water reseller rather than an agent. Where an organisation is classed as a water reseller the organisation would be subject to the Water Re-Sale Order 2006, which restricts the amount a purchaser of water can charge when reselling water to the end-customer, effectively only allowing for modest administration charges to be passed on.

Any challenge would be strongly defended by the Company and the Council and as such the Company has accepted the Local Government Associations (LGAs) offer of support and advice as part of a combined approach on behalf of a number of organisations.

No allowance has been made in these financial statements for potential costs resulting from any such legal challenge as, not only does the Company believe that the commission income equates to a reasonable administration charge, but the Council has also provided a letter of support confirming that any such losses, as a result of a court judgement, would be funded from the Council's Housing Revenue Account.

Get in Touch

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Solihull
METROPOLITAN
BOROUGH COUNCIL

PAUL JOHNSON
ACTING CHIEF EXECUTIVE

Resources Directorate
Financial Operations Division
P.O. Box 9 Council House
Manor Square
Solihull West Midlands B91 3QB
Tel. 0121 704 6506
Email: Priya.Spolia@solihull.gov.uk
www.solihull.gov.uk

Please ask for: Priya Spolia

Date: 05 June 2023

Mr M Sargeant
Company Secretary
Solihull Community Housing
Endeavour House
Meriden Drive
Solihull
B37 6BX

Our Ref. PJ/PS/JJ

Dear Martyn,

Letter of Support – SMBC for SCH

To the Board of Solihull Community Housing Limited

Solihull Community Housing Limited ("SCH") was set up as an Arm's Length Management Organisation on 1st April 2004 with the objective of delivering quality housing services to the tenants, leaseholders and residents of Solihull. SCH is a company limited by guarantee with Solihull MBC as its sole member. The relationship between Solihull MBC and SCH is governed by a Management Agreement. Subject to it remaining consistent with the Council's policies and plans, the Agreement will roll forward each year as part of the Council's budget setting process.

I can confirm that the Council does not have plans to request full immediate repayment of the outstanding creditor balance of £2,763,703 (including the £410,806 loan) between SMBC and SCH in the period to the end of July 2024.

Yours sincerely,

Paul Johnson
Acting Chief Executive
For and on behalf of Solihull MBC

Cc Anna Spencer-Gray
RSM
St Philips Point
Temple Row, Birmingham B2 5AF

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RSM UK Audit LLP
Temple Row
Birmingham
B2 5AF

4 September 2023

Dear Audit Engagement Partner of Solihull Community Housing Limited

AUDIT OF FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2023

This representation letter is provided in connection with your audit of the financial statements of Solihull Community Housing Limited for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view, in accordance with the applicable financial reporting framework. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK-adopted International Accounting Standards.

We confirm, to the best of our knowledge and belief, and having made appropriate enquiries of other board members and officials of Solihull Community Housing Limited.

Financial statements

1. We acknowledge and have fulfilled our responsibilities as the Board members of Solihull Community Housing Limited as set out in the terms of engagement for the preparation and presentation of the financial statements in accordance with the applicable financial reporting framework, in particular the financial statements give a true and fair view in accordance therewith.

2. We confirm that the methods, significant assumptions and the data used in making accounting estimates and the related disclosures are appropriate in the context of the applicable financial reporting framework.

3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the applicable financial reporting framework(s). In particular, where required by the applicable financial reporting framework(s), full disclosure is made in the financial statements of:

   A. any advances and credits granted by the parent company or its subsidiary undertakings to directors and guarantees of any kind entered into on behalf of the directors;
   B. the identity of the party which controls and (if different) the party which ultimately controls the company, if any;
   C. transactions and balances with related parties including:
      - the nature of the related party relationship;
      - the amount of the transactions;
      - the amount of outstanding balances and:
        - their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
        - details of any guarantees given or received;
      - provisions for uncollectible receivables related to the amount of outstanding balances;
      - the expense recognised during the period in respect of bad or doubtful debts due from related parties; and
      - any other information about the transactions, outstanding balances and commitments necessary for an understanding of the potential effect of the relationship on the financial statements.
   D. key management personnel compensation;
   E. if neither the parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so.

4. Full disclosure is made in the financial statements of:

A. outstanding capital commitments contracted for at the balance sheet date;
B. all contingent liabilities including details of pending litigation and material claims against the organisation / organisation and group;
C. all guarantees or warranties or other financial commitments including those given to or on behalf of other group entities.

5. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

6. There have been no events or conditions (e.g. loss or reduction of source of income, loss of supplier or member of staff, change in credit terms offered by suppliers, breaches of bank or other covenants, changes in banking or insurance arrangements or facilities) other than those already advised to you since the balance sheet date that would impact on the ability of the organisation to continue as a going concern. Should such events or conditions occur prior to your signature of the audit report we will advise you immediately. Except as already incorporated into our cash flow and profit forecasts we have no plans or intentions that would impact on the ability of the organisation to continue as a going concern.

7. With regards to our going concern assessment we confirm that our future plans are as follows:

A. We confirm that our operations will be kept under review, we do not currently intend to change the nature, scale or focus of our operations due to our ongoing agreement with Solihull Metropolitan Borough Council.
B. We confirm that we have evaluated the feasibility of the matters referred to above and consider the plans to be achievable.

8. We confirm that our going concern assessment covers the period ending date 31 August 2023.

9. All events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed. Should such further material events occur prior to your signature of the audit report we will advise you accordingly.

10. The effects of uncorrected misstatements (whether arising from differences in amount, classification, presentation or disclosure of a reported financial statement item and the amount, classification, presentation or disclosure that is required for the item to be in accordance with the applicable financial reporting framework) are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements including those in relation to disclosures is attached to this representation letter.

Information provided:

1. As agreed in the terms of engagement, we have provided you with:

A. Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
B. Additional information that you have requested from us for the purpose of the audit; and
C. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:

A. Management;
B. Employees who have significant roles in internal control; or
C. Others where the fraud could have a material effect on the financial statements.

5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the organisation's financial statements communicated by employees, former employees, analysts, regulators or others.

6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements. We have also notified you of the actual or contingent consequences which may arise from such non-compliance, including any potential effect on the organisation's ability to conduct its activities.

7. We have disclosed to you the identity of the organisation's related parties and all the related party relationships and transactions of which we are aware.

8. We have disclosed to you the details of all known actual or possible litigation and claims whose effect should be considered when preparing the financial statements.

9. There have been no communications with the Tenant Services Authority or Homes England or Audit Commission or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any administrative duty. We have drawn to your attention all correspondence and notes of meetings with regulators.

10. There have been no events other than those already disclosed in the financial statements since the balance sheet date which necessitate revision of the figures in the financial statements or inclusion of a note thereto. Should such material events occur prior to your signature of the audit report we will advise you accordingly.

11. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches of terms and conditions in the application of such incoming resources.

12. All designated and restricted fund balances are correctly shown in the accounts

13. We confirm that we have disclosed to you details of all banking and financing arrangements including related contracts and hedging products.

14. We confirm that we have informed you of all tax avoidance schemes used by the company.

15. We confirm that as far as we are aware:

    A. no services have been provided to us or our affiliated entities by RSM network firms and their related entities that we have not already informed you of;
    B. no gifts, hospitality, favours, donations or sponsorship have been exchanged between us or our affiliated entities and RSM network firms and their related entities that we have not already informed you of;
    C. no employment relationships exist between us or our affiliated entities and partners or employees of RSM network firms and their related entities we have not already informed you of; and
    D. no other business or personal relationships exist between us or our affiliated entities and RSM network forms and their related entities we have not already informed you of.

The related entities of RSM network firms are as set out in the list provided.

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error and we believe we have appropriately fulfilled those responsibilities.

To assist the auditor in complying with ISA (UK) 720 The Auditor's Responsibilities Relating to Other Information, we confirm that we have informed you of all the documents that will be communicated to the members with the annual report.

We confirm that we have taken all the steps that we ought to have taken as members of the board in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to the auditors. We confirm that, as far as we are aware, there is no relevant audit information of which the auditors are unaware.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

The contents of this letter were considered and approved by the board at its meeting on 4 September 2023

Yours faithfully

Signed on behalf of the board of Solihull Community Housing Limited

Director

Meeting of the Board

Report title:	Financial Outturn 2022/23	
Meeting date:	4 September 2023	
Report from:	Samantha Gilbert, Chief Finance Officer	
Report author/ lead officer:	Karen Cranley 0121 704 6421	Finance Manager kcranley@solihull.gov.uk
Report type:	~~Confidential~~ Open	
Decision type:	~~Assurance~~	~~Approval~~ Information

1. Report overview/purpose

1.1 To update the Board on the financial outturn for 2022/23 for capital and revenue within SCH and for the HRA.

2. Recommendations

2.1 The Board is asked to:

(1) **NOTE** the revenue and capital outturn for SCH for 2022/23.
(2) **NOTE** the age of outstanding Accounts Receivable Debt.
(3) **NOTE** the HRA outturn for 2022/23.
(4) **NOTE** the end of year reserves position.
(5) **NOTE** the utilisation of £134,000 previously approved use of the earmarked Restructure Reserve (paragraph 4.20).

3. Background/context

3.1 The 2022/23 end of year revenue and capital financial performance for the year ending 31 March 2023 is shown at Appendix A - Financial Dashboard. The final Revenue adverse variance is +£1.357m and the final Capital underspend is (£2.782m).

3.2 In addition, SCH manages the Private Sector Adaptations capital programme funded from the Council's General Fund and this was £0.040m overspent.

4. Matters for consideration

Revenue Financial Performance 2022/23

4.1 As forecast, the 2022/23 financial performance was significantly affected by inflationary pressures, most notably +£0.438m from increased utility costs, +£0.436m from materials and biomass pellets price increases and +£0.404m resulting from the higher than budgeted pay award.

4.2 The revenue outturn variance also includes an additional +£0.278m of spend approved by the Board as funded from reserves for the decant from Coppice Way premises, restructuring costs and the start of the High Rise blocks structural surveys project.

4.3 The unbudgeted compensation for complaints and the associated legal costs have been increasing year-on-year and totalled £0.218m in 2022/23 (compared to £0.162m in 2021/22).

4.4 Further details and explanations of revenue variances are shown within Appendix B.

Age of Outstanding Accounts Receivable Debt

4.5 Appendix A shows £0.039m outstanding accounts receivable debt (non-rent) over 90 days old at 31 March 2023, of which £0.017m relates to sums owed by the Council. The remaining aged debt over 90 days relates to various invoices of minor value.

HRA Capital Performance

4.6 SCH manages the HRA Capital Programme on behalf of the Council. The original 2022/23 capital programme approved by Cabinet on 10 February 2022 was £33.868m and was increased during the year to £39.501m to include £3.640 for Bromford property acquisitions and £1.993m rephased from the 2021/22 programme following Cabinet approval on 16 June 2022.

4.7 As at 31 March 2023, there is a total carry forward of £2.773m and £0.009m net savings. Details and explanations of capital schemes are shown at Appendix B along with reasons for programme delivery slippage. All requests for HRA capital carry forwards were submitted to the Council and approved by Full Cabinet on 15 June 2023. The impact of the year end position increases the 2023/24 capital programme from £41.057m to £43.830m.

4.8 The closedown process also identified £0.208m demolition costs for Middlewood House that took place in 2022/23 within the New Build total expenditure. Whilst this was approved by Cabinet on 9 December 2021 it should have been funded from RTB receipts and additional funding will be reflected in the 2023/24 mid year review to Cabinet to reimburse the New Build budget.

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Private Sector Adaptations Capital Programme – Expenditure and Funding

4.9 All adaptations undertaken are commissioned through the Council and where the requirements are for HRA properties, the funding comes through the HRA. Private sector adaptations were delivered close to budget with an overspend on Major works and an almost equal underspend on Minor works. The joint project between Adult Care & Support and SCH to increase referrals and workload has impacted and

improved the outturn with the number of referrals carried forward significantly reduced.

4.10 The Private Sector Adaptations (branded as Solihull Independent Living – SIL) capital outturn was £1.456million which was £40,000 over budget. The table below shows the final year-end position year on year for the number of private sector adaptations delivered and the costs.

Completions	2022/23	
	No	£
Private Sector Adaptations (Major)	90	1,349,000
Private Sector (Minor Works)	1,133	107,000

Private sector DFG allocated not completed 78 in 2022/23 (26 in 2021/22).

HRA and SCH Reserves

4.11 There are reserves held by both the Council HRA and by SCH. Any use of HRA reserves will require Council approval. Appendix C sets out the final HRA reserves position for Revenue and Capital with a net decrease in HRA Revenue Reserves of £0.239m. There are also HRA Capital Reserves that have a net decrease of £3.089m.

4.12 The net impact of the SCH £1.357m adverse variance position along with the Corporation tax charge of £12,000, compared to the budgeted £0.265m deficit results in a net reserve use of £1.104m. In addition, during 2022/23, SCH Board had committed to use £0.518m of SCH Reserves.

4.13 At the meeting on 20 February 2023, the Board approved the use of the Restructure Reserve to fund the cost of early leavers resulting from the Management of Change exercise that was taking place this year. The Board is asked to note that the use of this reserve in 2022/23 was £0.134m.

4.14 After accounting for the £1.500m minimum reserves balance for SCH there is a revenue reserve balances of £6.257m. Of this balance, the SCH Board has previously approved the earmarking of sums totalling £4.363m to be used to fund future specific activities leaving an uncommitted SCH Reserves balance of £1.894m available for future decisions on its use. Details of the movements of SCH Reserves are attached at Appendix D.

HRA Outturn

4.15 Appendix E sets out the final Housing Revenue Account (HRA) for 2022/23 with the overall HRA outturn slightly worse than budgeted by £8,000. The year end position being a deficit of £239,000 against a budgeted deficit of £231,000.

4.16 The significant variations are as follows:

a) The depreciation charge to the HRA is £925,000 more than budgeted, reflecting the current asset valuation and depreciation policy.

b) Interest and Investment Income is £391,000 more than budget due to a higher cash balance held.

c) Interest charges are £358,000 less than budgeted due to delays to the expected levels of borrowing for Spandrel replacement and new build projects.

d) The contribution from revenue reserves to fund capital expenditure is £264,000 more than budget.

e) The contribution from revenue reserves to fund revenue expenditure is £262,000 greater than budget. This is due to a £225,000 use of the Welfare Reform reserve to finance temporary posts within money advice/ employment and skills, the Income collection Rent Sense software and the contribution to the HRA Debt Impairment Allowance is £37,000 more due to higher levels of current tenant arrears.

Final statutory accounts and impact of Pensions IAS 19

4.17 The SCH statutory accounts reflect the requirements of the International Financial Reporting Standards (IFRS) in full including the requirements of the International Accounting Standard for pensions (IAS19). The West Midland Pension Fund engage an actuary to undertake an IAS19 valuation every year and as at 31 March 2023 this has been calculated as a surplus of £12.907million compared to an opening deficit of £14.087million – an improvement of £26.994million.

4.18 The balance is included within the SCH statement of reserves and is non-cashable.

Statutory Accounts and Audit

4.19 The external audit has now been completed and there were no significant issues arising from the audit. The external auditors presented their formal management report to the Audit and Risk Committee on 3 July 2023.

4.20 The accounts are also presented on this agenda to the SCH Board meeting for approval as a separate agenda item.

5. Supporting the SCH Delivery Plan

5.1 The SCH MTFS is produced to reflect the SCH Delivery Plan requirements and ensures these are affordable.

6. Consultation and engagement

6.1 There is no public consultation or engagement undertaken for the SCH financial monitoring. The forecasts within this report are based on the information supplied by the SCH Budget Managers.

7. Financial implications

7.1 The variances within the report identify a number of items of spend that will be considered as part of the 2023/24 financial monitoring and the 2024/25 budget preparation.

8. Legal implications

8.1 The SCH Management Agreement requires SCH to agree a balanced budget.

9. Risk implications

9.1 Work is currently ongoing to identify the mitigating actions to address any overspends.

10. Equalities implications

10.1 Any rectifying action to address overspends and impacting on service delivery, should be the subject of a separate report and a Fair Treatment Assessment.

11. List of appendices

Appendix A – Financial Dashboard
Appendix B – SCH Outturn Detail
Appendix C – HRA Reserves
Appendix D – SCH Reserves
Appendix E – HRA Outturn

12. Background documents

SCH Board 2023/24 Financial Monitoring reports at each Board meeting
SCH Board 2022/23 SCH Budget reports

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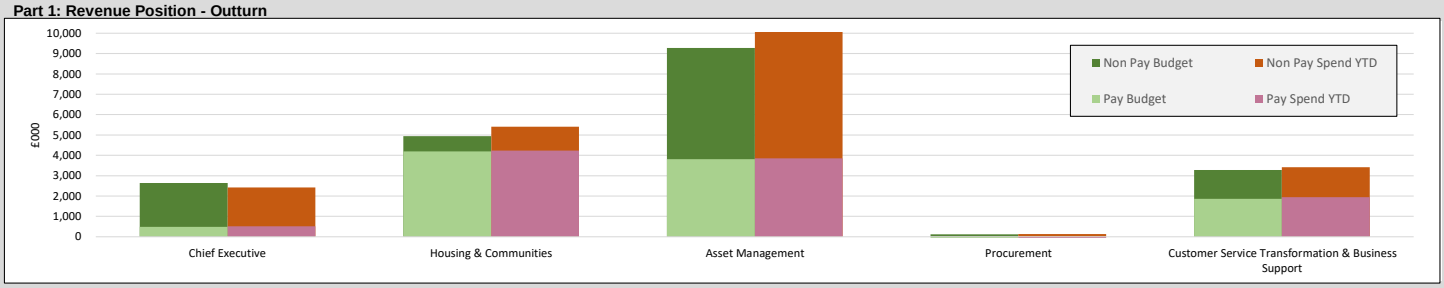
Financial Dashboard as at Mar-23 - Period 12

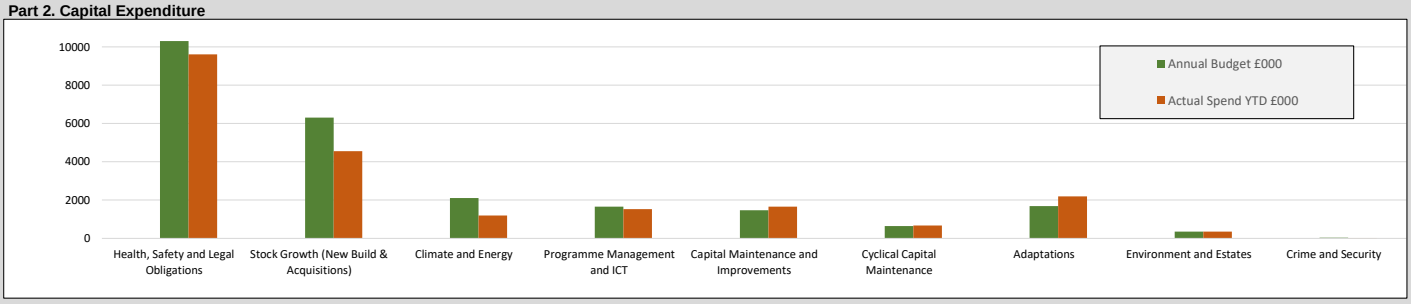
Solihull Community Housing
Shaping our neighbourhoods

Part 1: Revenue Position - Outturn



Service Area	Annual Budget £000	Actual Outturn £000	Outturn Variance £000	Previous Quarter Forecast Variance £000	Movement from previous Quarter £000	Explanation of Outturn variance / Explanation for movement in variance from previous quarter
Chief Executive	2,640	2,427	(213)	(342)	129	**Outturn** (£244,000) underspend due to (one-off) unallocated budget held by Chief Executive not used, part offset by recruitment costs of +£21,000 and other minor net overspends of £10,000. The Outturn variance position includes +£21k of spend approved by the Board to be funded from Reserves; and also a charge for Corporation tax of +£12k.
Housing & Communities	4,937	5,404	467	915	(448)	**Outturn** Overspends due to inflationary/ contractual pressures for energy costs prices +£337,000 and CCTV contract additional cost +£26,000. The net payroll overspend of +£43,000 includes the impact of the higher than budgeted pay award *(approximately £147,000)* . Pressures within the provision of the homelessness and temporary accommodation services of +£163,000 include the net cost of providing budget hotel accommodation (after housing benefit claims), furniture, legal costs, tenant medicals and private sector rent costs. Further notable adverse variances include continued reduced income within the Wellbeing service +£70,000 and for the Standby costs recharge to Wellbeing +£40,000, which is offset within Asset Management. Underspends have been realised in cleaning contracts (£88,000), Wellbeing equipment (£35,000), Income Collection Team court and bailiff fees (£35,000) and tree maintenance (£34,000). Other minor net variances total (£20,000).
Asset Management	9,284	10,207	923	750	173	**Outturn** Overspends due to inflationary pressures for energy costs prices +£117,000, costs of Biomass pellets +£242,000, materials price pressure +£194,000 and vehicle fleet costs (leasing & fuel) +£54,000. The net payroll forecast overspend of +£189,000k includes the impact of the higher than budgeted pay award *(approximately £147,000)* and the costs of additional resources to increase our response to damp and mould issues within properties *(£32,000)* . Further adverse variances due to Complaints compensation & legal costs +£218,000, Fire protection and assessments +£80,000, Council tax in void properties +£69,000 and High Rise structural surveys +£45,000 (reserves funded). The above pressures are partly offset by additional income for minor adaptations works (£95,000) and for maintenance of ex-Bromford properties (£71,000), underspends on Electrical testing (£86,000) and Feasibility (£46,000). Other minor net variances total +£13,000. The Outturn variance position includes +£68,000 of spend approved by the Board to be funded from Reserves.
Procurement	115	130	15	46	(31)	**Outturn** Minor overspend due to increased SLA charges from SMBC +£15,000.
Customer Transformation & Business Support	3,287	3,411	124	(131)	255	**Outturn** Overspends of +£160,000 for the costs of leaving the Coppice Way premises (reserves funded), +£85,000 subscriptions and professional fees, +£67,000 for the impact of the higher than budgeted pay award and +£35,000 for Board remuneration. Part offset by favourable variances of (£45,000) software licences, (£44,000) savings from Coppice Way closure, (£42,000) training, (£41,000) Endeavour House net premises costs and (£23,000) for a late receipt of Kickstart income relating to 2021/22. (£28,000) Other minor net variances (each <£20,000). The Outturn variance position includes +£189k of spend approved by the Board to be funded from Reserves.
Services sub-total	**20,263**	**21,579**	**1,316**	**1,238**	**78**	**The Outturn variance position includes +£278k of spend approved by the Board as funded from SCH Reserves**
Management Fee	(19,998)	(19,957)	41	0	41	Less spend on Welfare Reform funded posts, resulting in a reduced drawdown from HRA Reserves
Revenue Total	**265**	**1,622**	**1,357**	**1,238**	**119**	

Part 2. Capital Expenditure



Capital Classification	Annual Budget £000	Actual Outturn £000	Outturn Variance £000	Previous Quarter Forecast Variance £000	Movement from previous Quarter £000	Explanation of Outturn variance / Explanation for movement in variance from previous quarter
Health, Safety and Legal Obligations	10,306	9,602	(704)	0	(704)	Final outturn variance includes underspends on Spandrel Panels (£1.284million), Building Safety (£252,000) and Structural works (£149,000), part offset by increase in Sprinkler Installation spend +£909,000. Other net variances of +£72,000. Total carry forwards into 2023/24 of £7.372million have been approved predominantly to allow the completion of the Sprinkler Installation and Spandrel Replacement projects.
Stock Growth (New Build & Acquisitions)	6,305	4,554	(1,751)	0	(1,751)	Final outturn variance includes (£1.986million) for KHVC project spend no longer being paid through the Housing Capital programme and +£208,000 for MIddlewood House demolition costs. Other net variances of +£27,000. Total carry forwards into 2023/24 of £8.584million have been approved to allow the continuation of the Kingshurst Village Centre housing and Lakeside developments; as well as the DIY Shared Owenrship and property acquisition programmes.
Climate and Energy	2,110	1,190	(920)	0	(920)	Final outturn variance includes (£581,000) Low Rise Overcladding, (£186,000) Biomass Plant Replacement and (£201,000) Window Replacement. Overspend on Boiler Replacements of +£48,000.
Programme Management and ICT	1,664	1,533	(131)	0	(131)	Final Outturn variance due to underspend on ICT Projects. Total carry forwards into 2023/24 of £378,000 have been approved for continuation of ICT Projects.
Capital Maintenance and Improvements	1,467	1,660	193	0	193	Final Outturn variance includes overspend on Roofing works of +£179,000 and other net variances of +£14,000.
Cyclical Capital Maintenance	642	669	27	0	27	Final Outturn variance includes overspend on envelope programme of £48,000, part offset by a minor underspend on cyclical maintenance (£21,000) Total carry forwards into 2023/24 of £608,000 have been approved.
Adaptations	1,685	2,188	503	0	503	Final Outturn reflects continuing demand pressure on the Public Sector Adaptations Service. £656,000 of the net approved carry forwards have been allocated to support these works into 2023/24.
Environment and Estates	350	361	11	0	11	Minor variance
Crime and Security	40	29	(11)	0	(11)	Minor variance
	24,569	**21,787**	**(2,782)**	**0**	**(2,782)**	**Of the net underspend for the year, £2.773million will be carried forward into 2023/24, as approved by Full Cabinet 15-Jun-23. This is in addition to the carry forwards within the Capital mid-year amendments of £14.788million approved by Cabinet 12-Jan-23.**

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Part 3. 1-4-1 Receipts

Cumulative 1-4-1 Receipts		Cumulative Required Spend £	Cumulative Actual Spend to date £	Spend Required £	Cumulative Purchases Required [1]	Match Funding Required £
Received	To be spent by					
2017/18	2022/23	516,503	1,737,231			
2018/19	2023/24	1,143,429		0	0	0
2019/20	No RTB receipts from 2019/20 onwards have been identified as required for use as 1-4-1 spend.					

From April 2021 the Pooling regulations 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 have been reflected in the above Dashboard.

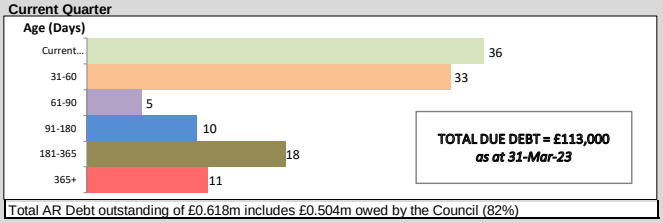
Part 4. Reserves

Solihull Community Housing Reserves	Balance 01/04/2022 £000	Actual use 2022/23 £000	Forecast use 2023/24 £000	Forecast use 2024/25 £000	Forecast Balance 31/03/2025 £000	Comments
Minimum Working Balance	(1,500)	0	0	0	(1,500)	**Actual Use 2022/23:** £1.104million Operating Deficit, £162,000 Home Options Office, £68,000 High Rise Structural Surveys, £90,000 Apprentice Scheme, £64,000 Digital Transformation, £134,000 Restructure costs. **Forecast Use 2023/24:** £1.324million High Rise Structural Surveys, £657,000 OneSCH Project, £102,000 Damp & Mould works, £551,000 Pay award & Employers Pension contributions increase, £40,000 Restructure costs
Budget Strategy Reserve (BSR)	(996)	154	(1,199)	0	(2,041)	
BSR: Restructure costs	(923)	134	290	0	(499)	
General Reserve	(5,960)	1,334	3,583	849	(194)	
TOTAL SCH RESERVES	**(9,379)**	**1,622**	**2,674**	**849**	**(4,234)**	

Housing Revenue Account Reserves (held by SMBC)	Balance 01/04/2022 £000	Actual use 2022/23 £000	Forecast use 2023/24 £000	Forecast use 2024/25 £000	Forecast Balance 31/03/2025 £000	Comments
Working Balances (minimum £2m)	(5,362)	(1,148)	585	32	(5,893)	Overall HRA (Surplus)/ Deficit
Welfare Reform / HRA Balances	(1,407)	262	454	313	(378)	Actual use 22/23 includes: Mobysoft £113k, temporary funded posts £112k Forecast use includes: £460k towards HRA Debt Impairment, further £113k for Mobysoft system, further £194k for agreed temporary WRR-funded posts.
Earmarked: Regeneration	(212)	0	0	0	(212)	
Earmarked: Capital investment	(2,369)	591	1,714	0	(64)	Forecast use for acquisitions funding £714k and DIY Shared Ownership Scheme £1.000m
High Rise Sprinklers Reserve	(534)	534	0	0	0	
sub-total HRA Revenue Reserves	**(9,884)**	**239**	**2,753**	**345**	**(6,547)**	
Major Repairs Reserve	(2,545)	0	800	0	(1,745)	Annual top-up and use of MRR
High Rise Sprinklers Reserve	(2,587)	2,587	0	0	0	
RTB Receipts Reserves	(12,885)	1,192	922	(2,456)	(13,227)	RTB receipts annually, use includes £3.6m Bromford Phase 2 acquisition,£4.700m towards KHVC redevelopment - housing element.
Capital Receipts Unapplied	(55)	(929)	932	0	(52)	
sub-total HRA Capital Reserves	**(18,072)**	**2,850**	**2,654**	**(2,456)**	**(15,024)**	
TOTAL HRA RESERVES	**(27,956)**	**3,089**	**5,407**	**(2,111)**	**(21,571)**	

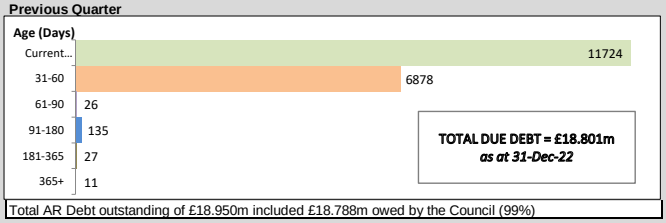
Part 5. Age of Outstanding Accounts Receivable Debts

Current Quarter



Total AR Debt outstanding of £0.618m includes £0.504m owed by the Council (82%)

Previous Quarter



Total AR Debt outstanding of £18.950m included £18.788m owed by the Council (99%)

Part 6: Rent Collection

HRA Income	
Overall Income Due	£45,397,393
HRA Income	£44,285,363
Rent Roll	£43,951,750
Percentage rent collected of rent due	97.55%
Percentage rent collected of rent due excl. arrears b/fwd	100.76%

SCH Income	
SCH Rents collectable	£195,820
SCH income of rent due	£192,820
SCH Collection percentage	98.47%

Part 7. Debt Impairment

HRA Arrears	Total HRA Debt £	Impairment Required £
31-Mar-22	3,578,643	2,732,831
31-Mar-23	4,492,332	3,579,117
Increase/ (Decrease)		**846,286**
TOTAL CHARGE TO DEBT IMPAIRMENT		**846,286**
Budget available for contribution to Debt Impairment		809,000

SCH Arrears	Total SCH Debt £	Impairment Required £
31-Mar-22	160,897	148,061
31-Mar-23	101,848	88,894
Increase/ (Decrease)		**(59,167)**
Add: Net Write offs YTD		66,407
TOTAL CHARGE TO DEBT IMPAIRMENT		**7,240**
Budget available for contribution to Debt Impairment		10,000

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1. Revenue Outturn Detail

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

Revenue (excluding IAS19)	**2022/23 Budget £'000**	**Actual Outturn £'000**	**Variance to Budget £'000**
Central Services & Performance Management	4,215	3,971	(244)
Housing Options	563	784	221
Housing Management	254	276	22
Rent Collection & Money Advice	999	951	(48)
Call Centre	732	740	8
Neighbourhood Services	3,249	3,495	246
SCH Owned Developments	(128)	(102)	26
MST Management	120	23	(97)
Day to Day Repairs	3,037	3,637	600
Void Repairs	1,995	2,043	48
Compliance	2,723	2,696	(27)
Asset Management Support Services	1,369	1,778	409
Asset Management Capitalised Projects	40	30	(10)
Governance & Facilities Management	980	1,127	147
Procurement	115	130	15
sub–Total Expenditure	**20,263**	**21,579**	**1,316**
Revenue Management fee	(19,998)	(19,957)	41
Net Revenue Position *	**265**	**1,622**	**1,357**

* The budgeted net position is made up of an approved deficit of £175,000 and approved draw down of Reserves of £90,000

The final Revenue outturn position includes the following approved use of SCH reserves:

Use of SCH Reserves	**2022/23 Budget £'000**	**Actual Outturn £'000**	**Variance to Budget £'000**
Apprenticeships	90	90	0
Digital Transformation	150	64	(86)
Restructure Reserve	0	134	134

Home Options Office relocation	0	162	162
High Rise Structural Surveys	0	68	68
Total Use of SCH Reserves	**240**	**518**	**278**

1.1 Central Services & Performance Management: underspend of (£244,000). As previously reported, predominantly due to the unallocated element of the one-off budget held to meet unexpected pressures (£244,000).

1.2 Housing Options: overspend of +£221,000. Mainly due to the net unrecovered costs of budget hotel occupancy +£127,000 and a shortfall in Wellbeing Income +£70,000. Other minor net overspends of +£24,000.

1.3 Housing Management: minor net overspends of +£22,000.

1.4 Rent Collection & Money Advice: underspend of (£48,000). Mainly due net underspends on court and warrant fees of (£21,000) as court cases or warrants actioned in the year continue to be low. Other minor net underspends of (£27,000).

1.5 Contact Centre: minor net overspends of £8k.

1.6 Neighbourhood Services: overspend of +£246,000. Mainly due to increased communal electricity costs +£233,000, net pay overspends of +£43,000 and the CCTV monitoring contract +£26,000; part offset by reduced cleaning costs of (£69,000). Other minor net overspends of +£13,000.

1.7 SCH Owned Developments: minor net overspends of +£26,000.

1.8 MST Management: underspend of (£97,000). Mainly due to staff vacancies (net of recharges) of (£64,000) and underspends in the feasibility budget of (£45,000) Other net overspends of +£12,000.

1.9 Day to Day Repairs: overspend of +£600,000. The main adverse variances to budget include complaints compensation & associated legal costs of +£218,000 (2020/21: £162,000).

Further pay overspends of +£249,000 from a combination of the increased pay offer and ongoing increased agency costs to cover staff absence, increased materials costs of +£103,000 reflecting the continued increase in supply chain costs and spend on the High-Rise blocks Survey project +£45,000 (funding approved from reserves). Other minor net variances (£15,000).

1.10 The DTD actual average jobs cost at year end was £114.90, which is £1.29 (3.1%) higher than 2021/22.

	2020/21	2021/22	2022/23
Day to Day Repairs costs	30,459 jobs @ £112.71 **£3.433million**	33,046 jobs @ £111.42 **£3.682million**	35,924 jobs @ £114.90 **£4.128million**

1.11 Void Repairs: overspend of +£48,000. Primarily relating to additional cost of Council tax for void properties +£69,000. Other minor net underspends of (£21,000).

1.12 The Void actual average job cost at year end was £2,855.64, which is £176.71 (5.8%) lower than 2021/22

	2020/21	2021/22	2022/23
Void Repairs costs	655 jobs @ £3,847.17 **£2.520million**	997 jobs @ £3,032.35 **£3.023million**	873 jobs @ £2,855.64 **£2.493million**

1.13 Compliance: underspend of (£27,000). Mainly due to net pay underspends of (£92,000) and electrical testing (£87,000); partly offset by overspends on fire risk assessment and protection +£80,000 and sub-contractor pain share +£56,000. Other net overspends of +£16,000.

1.14 Asset Management Support Services: overspend of +£409,000, where +£399,000 related to the Biomass system due to reduced income combined with increased costs for pellets and utility costs. Other notable variances within this area are within Fleet Management +£65,000 and net pay underspends of (£38,000). Other net underspends of (£17,000).

1.15 Asset Management Capitalised Projects: minor net underspend of (£10,000).

1.16 Governance & Facilities Management: overspend of +£147,000. Net pay overspends of +£57,000 include early leaver costs of £113,000 which were funded from the Restructure Reserve; dilapidations costs following the closure of the Coppice Way office of +£162,000 were also funded from reserves. Further notable variances were for the remuneration of Board Members +£35,000; partly offset by underspends at Endeavour House running costs of (£96,000). Other minor underspends of (£11,000).

1.17 Procurement: minor net overspends of +£15,000.

2. Housing Capital Outturn – Expenditure

2.1 The 2022/23 capital outturn was £21.787million (£2.782million underspent against budget). The table below gives further details with

brief explanations provided in the paragraphs that follow. Capital spend on adaptations is covered in section 8.

Capital	**Variance**		**Carry Forwards**	**(Saving)/ Cost**
	£'000	**£'000**	**£'000**	**£'000**
Approved Budget		**39,501**		
Approved amendments at mid-year review				
New Build Developments and Acquisitions	(6,842)			
Stock Improvements	(7,946)			
Funding Released	(144)			
Final Approved Budget		**24,569**		
Less: Underspends				
New Build Developments	(1,787)		(1,778)	(9)
Replacement of Spandrel panels	(1,284)		(1,284)	
Climate and Energy	(920)			(920)
Health, Safety and legal Obligations	(329)		280	(609)
Programme Management and ICT	(141)		(130)	(11)
Add: Overspends				
Retro fitting Sprinklers	909		909	
Public Sector Adaptations	503		(1,006)	1,509
Maintenance & Improvements	193			193
Property Acquisitions	36		36	
Cyclical Maintenance and Envelope Works	27		200	(173)
Environment & Estates	11			11
Actual Outturn Capital Programme		**21,787**	**(2,773)**	**(9)**

2.2 Stock Growth – New Build Developments: Underspend of (£1.787million). The underspend is due mainly to the Kingshurst Village Centre scheme where costs have been paid out directly from the Council rather than through SCH (£1.986million). This is partly offset by Middlewood House demolition costs of +£208,000 where it has now been decided by the Council that SCH will be the delivery partner for the development. Other minor net variances of (£9,000) follow the completion of previous schemes and represent the release of the unrequired contingencies.

2.3 Health & Safety - Replacement of Spandrel Panels: underspend of (£1.284million) which has been approved by Cabinet to be carried forward into 2023/24. In December 2020 Cabinet agreed an update to the capital programme to undertake the replacement of Spandrel Panels for 16 high-rise buildings. The total cost of investment approved was £8.757million to be spent over 2 years and funded through additional prudential borrowing. Spend in the year amounted to £316,000 from the budget of £1.600million due to preliminary work to agree appropriate designs to secure planning and building control approvals.

2.4 Climate and Energy: underspend of (£920,000). Underspends on Low Rise overcladding of (£581,000). Further underspends on Window replacements (£201,000) and Biomass plant replacement (£186,000) have been part offset by increased spend on boiler replacement programmes of +£48,000.

2.5 Health & Safety – Other: underspend of (£329,000) predominantly on Building safety supplementary projects and structural works.

2.6 Programme Management and ICT: underspend of (£141k). Total carry forwards of £378,000 have been approved by Cabinet towards ICT capital and CCTV programmes primarily to support the OneSCH project and implement further ICT improvements following the Asset Management service review.

2.7 Health & Safety - High Rise Sprinklers: overspend of £909k. In March 2020 Cabinet agreed an update to the capital programme to undertake the retrofitting of sprinklers to 37 high-rise buildings. Following revisions to the British sprinkler standard in July 2021 additional costs of £1.694million were identified to fully comply and approved by Cabinet in November 2021, resulting in a total project budget of £14.694million. Total cumulative spend of £13.568million has been incurred on the project up to the end of March 2023, it is forecast the total final cost will be contained within that revised total project budget.

2.8 Public Sector Adaptations: overspend of £503,000. At the January meeting Cabinet approved additional funding of £350,000 to be reallocated from other workstreams to meet the demand for the public sector adaptations programme. However, a continuing increase in referrals as well as increasing construction costs, has resulted in a year-end outturn of £1.955million, an overspend of £503,000 against this increased budget. This has enabled the completion of major adaptations works at 178 properties. The final carry forward requests for 2022/23 have reallocated resources from other workstreams in order to finance a base budget of £1.856million for 2023/24

The table below shows the final year-end position year on year for the number of public sector adaptations delivered and the costs. There was a significant increase in the amount of minor works delivered during 2021/22 due to the backlog of jobs created by the covid pandemic. Demand on the service is higher than pre pandemic levels and is expected to continue to increase year on year. There was a high level of long-term sickness in the team of operatives who carry out the minor adaptations which has impacted on the number of jobs completed in 2022/23. There have been significant delays and shortages in construction materials which has impacted on the time taken to complete major adaptations. The cost of both labour and materials has also continued to rise resulting in significant uplifts in costs.

Completions	**2020-21**		**2021-22**		**2022/23**	
	No	**£**	**No**	**£**	**No**	**£'000**
Public Sector Adaptations (Major)	159	760,000	171	1,266,000	178	1,955,000
Public Sector (Minor Works)	330	76,000	760	115,000	581	233,207

Public sector works allocated not completed 91 in 2022/23 (21 in 2021/22)

2.9 Maintenance and Improvements: overspend of +£193k. Mainly due to an overspend on roofing works of +£179,000. Other minor net underspend of (£14,000).

2.10 Stock Growth – Property Acquisitions: Minor overspend of +£36,000. During the financial year, acquisitions of three dwellings and one garage have taken place. Local authorities are required to spend any RTB 1-4-1 receipts within a five-year period, following this year's acquisitions Solihull's receipts have now all been spent ahead of the deadline.

In addition, the acquisition of properties from Bromford Housing completed on 4 April 2022.

2.11 Cyclical Maintenance and Envelope Scheme: minor net overspend of £27,000.

2.12 Environment and Estates: minor net overspend of £11,000.

2.13 HRA capital carry forwards of £2.773million were presented to the Council and approved by Full Cabinet on 15 June 2023.

Appendix C

HOUSING REVENUE ACCOUNT
2022/23 - RESERVES STATEMENT

Revenue	Balance At 1/4/22 £'000	Contributions 22/23 £'000	Transfers 22/23 £'000	Use 22/23 £'000	Balance At 31/3/23 £'000	CLOSING BALANCE EARMARKED £'000	CLOSING BALANCE AVAILABLE £'000
Minimum Working Balance							
Minimum to be retained	(2,000)				(2,000)	(2,000)	0
Additional working balances:							
HRA Surplus 2018/19 to 2021/22	(3,362)				(3,362)	(839)	(2,523)
2022/23 HRA Surplus	0	(1,148)			(1,148)		(1,148)
sub-total Working Balances	(5,362)	(1,148)	0	0	(6,510)	(2,839)	(3,671)
Post 2004 Committed Balances							
Welfare Reform Reserve	(1,407)			262	(1,145)	(992)	(153)
Post 2004 Earmarked Balances							
Regeneration	(212)				(212)	(212)	0
Enabling fund re: Homelessness Initiatives	(100)				(100)	(100)	0
Contribution re Future Capital Investment	(2,269)			591	(1,678)	(1,678)	0
High Rise Sprinklers Reserve (Revenue)	(534)			534	0	0	0
sub-total Earmarked Reserves	(3,115)	0	0	1,125	(1,990)	(1,990)	0
TOTAL HRA REVENUE BALANCES	(9,884)	(1,148)	0	1,387	(9,645)	(5,821)	(3,824)

Capital	Balance At 1/4/22 £'000	Contributions 22/23 £'000	Transfers 22/23 £'000	Use 22/23 £'000	Balance At 31/3/23 £'000	CLOSING BALANCE EARMARKED £'000	CLOSING BALANCE FREE £'000
HRA Major Repairs Reserve	(2,545)	(13,972)	4,068	9,904	(2,545)	(800)	(1,745)
HRA Capital Receipts Unapplied							
HRA Capital Receipts Unapplied (RTB)	(12,885)	(4,083)		5,275	(11,693)	(3,301)	(8,392)
HRA Shared Ownership Receipts unapplied	(55)	(1,000)		71	(984)	(932)	(52)
	(12,940)	(5,083)	0	5,346	(12,677)	(4,233)	(8,444)
High Rise Sprinklers Reserve (Capital)	(2,587)	0	(4,068)	6,655	0	0	0
TOTAL HRA CAPITAL FUNDS	(18,072)	(19,055)	0	21,905	(15,222)	(5,033)	(10,189)

TOTAL ALL RESERVES	(27,956)	(20,203)	0	23,292	(24,867)	(10,854)	(14,013)

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SCH Reserves Statement

Appendix D

	£'000s	£'000s	Board Approval
Reserves Available b/fwd 1-Apr-22		(9,379)	
Outturn Deficit for 2022/23		1,104	
Support Apprenticeship Scheme	90		30-Apr-18
Use of Restructure Reserve for Early exit costs	134		20-Feb-23
Home Options - Co-location modifications, Coppice Way dilapidations and Abortive costs	162		03-May-22
Funding of Digital Transformation Team (year 2)	64		07-Jun-21
Structural Surveys in High Rise blocks	68		03-May-22
		518	03-May-22
Reserves available c/fwd to 2023/24		**(7,757)**	
Earmarked			
Minimum Working Balance		1,500	Audit Requirement
Workflow System (subject to approval)		1,506	14-Feb-22
Structural Surveys - High Rise Blocks		1,324	03-May-22
Home Options - Co-location modifications, Coppice Way dilapidations and Abortive costs		128	03-May-22
Additional Resource to address Damp & Mould		102	20-Feb-23
Budget Strategy Reserve:			
Earmarked Budget Strategy Reserve for Restructure costs	499		Use approved case by case
Funding of 2023/24 pay and pension contributions increase	551		22-May-23
Digital Transformation Team	216		07-Jun-21
PSL Reserve from annual surplus	37		20-May-19
sub-total Earmarked use of Budget Strategy Reserve		1,303	
Reserves left unallocated		**(1,894)**	

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Appendix E

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE ACCOUNT

Total Outturn 2021/22 £000's		*Original Estimate 2022/23 £000's*	*Actual Outturn 2022/23 £000's*	*Variation 2022/23 £000's*
	INCOME			
(41,725)	Dwelling -Rents	(43,577)	(43,693)	(116)
(1,153)	Non-Dwelling Rents	(1,222)	(1,165)	57
(2,102)	Charges for Services & Facilities	(2,237)	(2,534)	(297)
(44,980)	**Sub-total Income**	(47,036)	(47,392)	(356)
	EXPENDITURE			
19,771	Management Fee	19,732	19,957	225
3,359	Client Costs	4,582	4,356	(226)
23,130	Sub-Total	24,314	24,313	(1)
12,515	Depreciation and Amortisation	13,165	14,090	925
(1)	Revaluation Gain on Non-Current Assets	0	(42)	(42)
67	Debt Management Costs	58	66	8
298	Movement in the Allowance for Bad Debts	809	846	37
36,009	**Sub-Total Gross Expenditure**	38,346	39,273	927
(8,971)	**Net Income from Services**	(8,690)	(8,119)	571
153	HRA Services Share of Corporate and Democratic Core	154	154	0
(8,818)	**Net Income from HRA Services**	(8,536)	(7,965)	571
	HRA Share of Operating Income and Expenditure			
(1,071)	Gain On Disposal of HRA Non-Current Assets	0	(1,825)	(1,825)
7,224	Interest Payable	7,291	6,933	(358)
(28)	Interest & Investment Income	(100)	(491)	(391)
(14)	Income, Expenditure and Changes in Fair Value of Investment Properties	(11)	(13)	(2)
(357)	Capital Grants and Contributions	0	(15)	(15)
(3,064)	**Surplus on HRA Services**	(1,356)	(3,376)	(2,020)

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

Actual Outturn 2021/22 £000's		*Original Estimate 2022/23 £000's*	*Actual Outturn 2022/23 £000's*	*Variation 2022/23 £000's*
(3,064)	Surplus on HRA Services	(1,356)	(3,376)	(2,020)
16	Transfers to/ (from) Major Repairs Reserve - Amount in Excess of Depreciation	0	(118)	(118)
509	Voluntary Set Aside for Debt Repayment	587	540	(47)
7,295	Capital Expenditure Funded by the HRA	1,000	1,264	264
1	Revaluation Gains on Property, Plant & Equipment	0	42	42
357	Capital Grants and Contributions Applied	0	15	15
1,070	Cash Sale Proceeds less Amounts of Non-Current Assets Written Off on Disposal	0	1,825	1,825
47	Other Adjustments between Accounting Basis and Funding Basis Under Statute	0	47	47
9,295	**Total Adjustments**	**1,587**	**3,615**	**2,028**
6,231	**Decrease in HRA Balance**	**231**	**239**	**8**
(16,115)	Balance Brought Forward	(9,884)	(9,884)	0
6,231	Deficit For The Year	231	239	8
(9,884)	**Balance Carried Forward**	**(9,653)**	**(9,645)**	**8**

SUMMARY OF MOVEMENT IN HRA REVENUE RESERVE BALANCES

Actual Outturn 2021/22 £000's		*Original Estimate 2022/23 £000's*	*Actual Outturn 2022/23 £000's*	*Variation 2022/23 £000's*
(1,318)	Operational Surplus	(769)	(1,289)	(520)
7,295	Use of Revenue Reserves to Support Capital Expenditure	1,000	1,264	264
254	Use of Revenue Reserves to Support Revenue Expenditure	0	264	264
6,231	**(Increase)/Decrease in HRA Balances**	**231**	**239**	**8**

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Meeting of the Board

Report title:	Financial Monitoring and Forecast – June 2023 (Quarter 1)		
Meeting date:	4 September 2023		
Report from:	Samantha Gilbert, Chief Finance Officer		
Report author/ lead officer:	Karen Cranley 0121 704 6421	Finance Manager kcranley@solihull.gov.uk	
Report type:	Open		
Decision type:	~~Assurance~~	Approval	~~Information~~

1. Report overview/purpose

1.1 To update the SCH Board on the forecast financial performance as at the 3 months to 30 June 2023 (Quarter 1).

2. Recommendations

2.1 The Board is asked to:

(1) **NOTE** the revenue and capital forecast to the year end for the current financial year 2023/24.
(2) **NOTE** the current and forecast reserves position.
(3) **NOTE** the progress of savings delivery for the next three years.
(4) **NOTE** the age of outstanding Accounts Receivable and Rent Debt.
(5) **APPROVE** the utilisation of £40,000 of the earmarked Restructure Reserve (paragraph 4.8).

3. Background/context

3.1 This report summarises the Revenue and Capital forecast financial performance based on the three-month period to 30 June 2023. The Financial Dashboard is attached at Appendix A.

3.2 The Financial Dashboard also includes an update on rent collected, the outstanding SCH Accounts Receivable debt and an update on the expected SCH and HRA Reserves outturn position. The forecast reserves position shows available balances of £1.577m and £14.075m of SCH and HRA balances respectively.

3.3 The revenue position shows a forecast outturn position of a £0.658m overspend (2.9%).

3.4 The capital position shows a forecast outturn position of a £0.137m overspend (0.3%).

3.5 The savings tracker shows that £0.064m (16.8%) of the savings targets agreed for 2023/24 are currently rated Red.

4. Matters for Consideration

Commentary on Revenue Financial Performance 2023/24

4.1 The SCH revenue Management Fee receivable from the Council for 2023/24 is £22.146m, an increase of £2.414m from £19.732m in 2022/23. In addition, SCH will also receive a contribution from HRA reserves of £0.232m as previously agreed for additional staffing resource in Money Advice and an employment skills coordinator as well as software.

4.2 At the Board's last meeting, additional financial pressures for 2023/24 of £0.801m were identified as a consequence of:

- A pay award above 2%
- The results of the triannual pension valuation
- Disrepair claims and legal fees

4.3 The Board agreed the recommendation to:

- Fund the additional costs of the 2023/24 pay award (currently estimated as £291,000 based on the 4% Employer offer) and the 2023/24 Employers West Midland Pension Fund contribution rate increase at a cost of £260,000 from the SCH budget strategy reserve;
- To replenish the budget strategy reserve from £0.842m to £2.592m by transferring £1.750m from SCH general reserves (£1.500m) and the SCH staff restructuring (£0.250m); and
- Fund the additional cost of disrepair claims and legal fees at a cost of £250,000 through in-year savings.

4.4 As at 30 June 2023 the Executive Directors are forecasting a further overspend against this budget of +£0.658m by the end of the financial year and the significant expected variances are set out in Appendix A. The most notable areas of overspend being £0.381m within electrical and gas day to day repairs and £0.201m materials costs. Recent staff changes have taken place and there is currently ongoing work to reconsider these forecasts. An update on progress will be provided at the meeting.

4.5 The Executive Team's Management of Change referred to at the Board meeting on 20 February 2023 has continued from 2022/23 into 2023/24 and £0.040m of costs attributable to early leaver costs are currently in the overall net variance position. The Board is asked to approve the use of the Restructure Reserve to fund these further costs which would reduce the in-year financial pressure to £0.618m.

Impact on SCH Medium Term Financial Strategy (MTFS)

4.6 Further plans still need to be identified and agreed to resolve the future years pressures in 2024/25 of £0.867m and 2025/26 of an additional £0.286m, totalling an ongoing annual saving requirement of £1.150million.

4.7 The consequences of the issues highlighted within this report will be considered as part of the preparation for the SCH MTFS and further details of which are contained within the Budget Strategy Review Report elsewhere on this agenda.

Commentary on Capital Financial Performance 2023/24

4.8 At the Full Cabinet meeting on 9 March 2023 the base housing capital budget of £41.057m was approved for 2023/24 and increased by £2.773m rephased net underspends from the 2022/23 outturn position as approved by Cabinet on 15 June 2023. The capital budget has subsequently been increased by a further £0.208m funded from RTB receipts added to the New Build budget. This is to reimburse the demolition costs of Middlewood House that took place in 2022/23 and approved by Cabinet on 9 December 2021. This will be reflected in the 2023/24 mid year review.

4.9 As at 30 June 2023 the programme is expected to overspend by £0.137m and further details are shown at Appendix A.

SCH and HRA Reserves Position

4.10 The total SCH Reserves at 1 April 2023 were a net positive balance of £21.613m, which includes the Pensions Reserve surplus balance of £13.856m. This is not included on the Reserves schedule within the Financial Dashboard as it is not considered cashable in the foreseeable future.

4.11 The remaining positive reserves of £7.757m, includes the Budget Strategy Reserve of £3.131m, of which £0.539m is earmarked for restructure costs. This would reduce to £0.499m subject to Board approving the £0.040m use detailed at paragraph 4.5.

4.12 The HRA Reserves are also shown within Appendix A for information. These are Council reserves and decisions on their use are made in accordance with the Council's scheme of delegations. The HRA Reserves as at 1 April 2023 were £24.867m made up of £9.645m revenue reserves and £15.222m capital reserves.

Savings Tracker

4.13 The savings tracker included within Appendix A shows the RAG rating for the savings approved for the period 2023/24 to 2025/26, including the disrepair and legal fees added in May. Details are also given of targets rated as red in the current financial year, totalling £0.064m and these are included within the overall net variance position.

Accounts Receivable Debt

4.14 The accounts receivable information provided within Appendix A show a total debt outstanding of £0.389m as at 30 June 2023, of which £0.339m (87%) is owed by the Council. There are no areas of concern to be highlighted at this time.

HRA Rent Collection and Debt Impairment (Information Items)

4.15 Rent collection and Debt Impairment tables are also included within the dashboard for information, although rental income is received directly into the Council's HRA account. Any change to rental income ultimately affects HRA funds available for future years' SCH management fee. The dashboard shows that for both HRA owned properties and SCH owned properties the percentage of rent collected in relation to rent due is exceeding the 98% targeted.

4.16 The Debt Impairment is what was previously known as the 'Bad Debts Provision'. The dashboard shows that for Quarter 1 we have a requirement to provide for an additional £0.268m of HRA debt impairment compared to an annual budget of £0.692m.

5. Supporting the SCH Delivery Plan

5.1 The SCH MTFS is produced to reflect the SCH Delivery Plan requirements and ensures these are affordable.

6. Consultation and engagement

6.1 There is no public consultation or engagement undertaken for the SCH financial monitoring. The forecasts within this report are based on the information supplied by the SCH Budget Managers.

7. Financial implications

7.1 Details are set out in the matters for consideration.

8. Legal implications

8.1 The SCH Management Agreement requires SCH to agree a balanced budget.

9. Risk implications

9.1 Work is currently ongoing to identify the mitigating actions to address any overspends.

10. Equalities implications

10.1 Any rectifying action to address overspends and impacting on service delivery, should be the subject of a separate report and a Fair Treatment Assessment.

11. List of appendices

Appendix A – SCH Financial Dashboard at Quarter 1

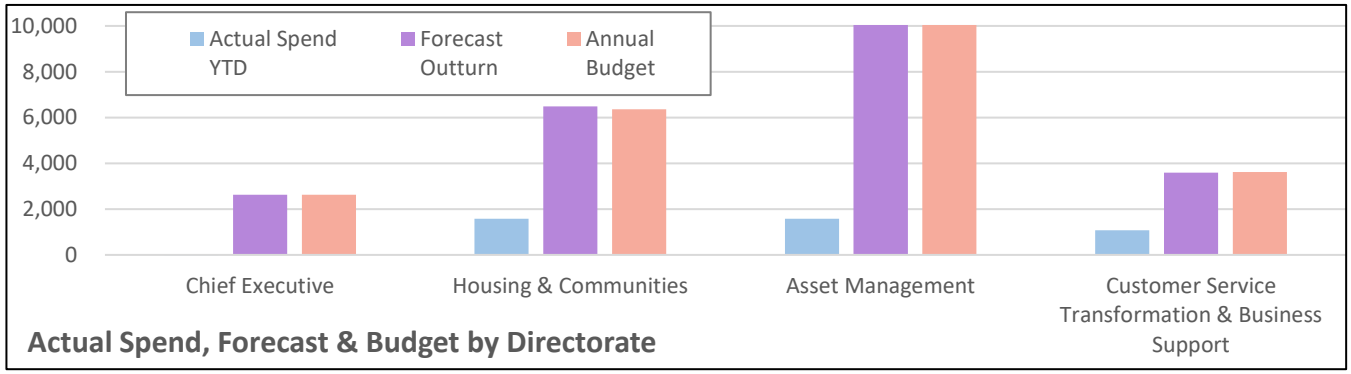
12. Background documents

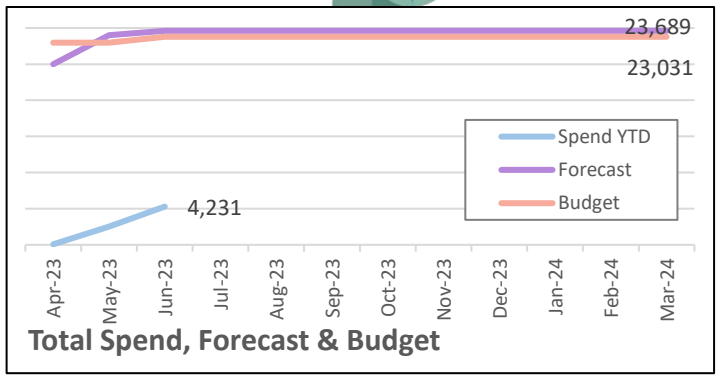
SCH Board 2023/24 Budget Horizon report 22 May 2023
SCH Board 2023/24 SCH Budget report 20 February 2023

FINANCIAL DASHBOARD AS AT JUNE 2023

Solihull Community Housing
Shaping our neighbourhoods

REVENUE POSITION AT P03





Service Area	Annual Budget £000	Actual Spend YTD £000	Forecast Outturn £000	Forecast Variance £000	Forecast Variance Split Between Payroll £000	Non-Pay £000	Income £000	Forecast Variance P02 £000	Movement in Forecast £000
Chief Executive	2,621	(8)	2,621	0	0	11	(11)	61	(61)
Housing & Communities	6,358	1,575	6,482	124	0	106	18	216	(92)
Asset Management	10,438	1,583	10,995	557	93	576	(112)	432	125
Customer Service Transformation & Business Support	3,614	1,081	3,591	(23)	(210)	10	177	126	(149)
Revenue sub-total	**23,031**	**4,231**	**23,689**	**658**	**(117)**	**703**	**72**	**835**	**(177)**
Revenue Management fee	(22,146)	(5,592)	(22,146)	0	0	0	0	0	0
Use of HRA Reserves	(232)	0	(232)	0	0	0	0	0	0
Net Revenue Position	**653**	**(1,361)**	**1,311**	**658**	**(117)**	**703**	**72**	**835**	**(177)**

Service Area	Forecast Variance £000	Explanation of Forecast Variances
Chief Executive	0	No variance forecast.
Housing & Communities	124	+£19,000 for savings target rated red (see below), +£35,000 Homelessness Service (Tenant Medicals & Furniture), +£29,000k CCTV contract pressure, +£18,000 potential reduced Prive ASB Income, +£23,000 other minor variances.
Asset Management	557	+£45,000 for savings target rated red (see below), +£381,000 pressures within Compliance budget led by forecasts in electrical and gas day-to-day repairs, +£201,000 continuing pressure on materials costs, +£93,000 expected payroll variance and +£70,000 Council tax on void properties. Part offset by (£125,000) saving on asbestos sub-contractor costs where works carried out by in-house team, (£96,000) underspend on electrical testing and (£12,000) other minor variances.
Customer Service Transformation & Business Support	(23)	+£68,000 Wellbeing net trading contribution less than budget, (£54,000) net payroll forecast underspends, (£36,000) Endeavour House utility costs and (£1,000) other minor variances.
Revenue Total	**658**	

FINANCIAL DASHBOARD AS AT JUNE 2023

Solihull Community Housing
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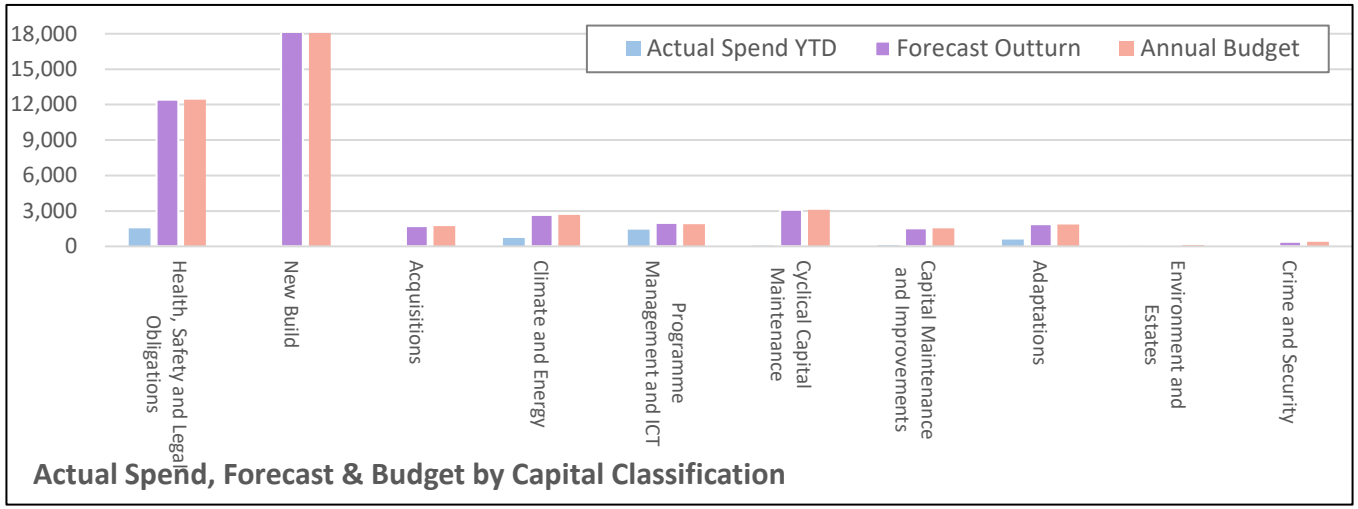
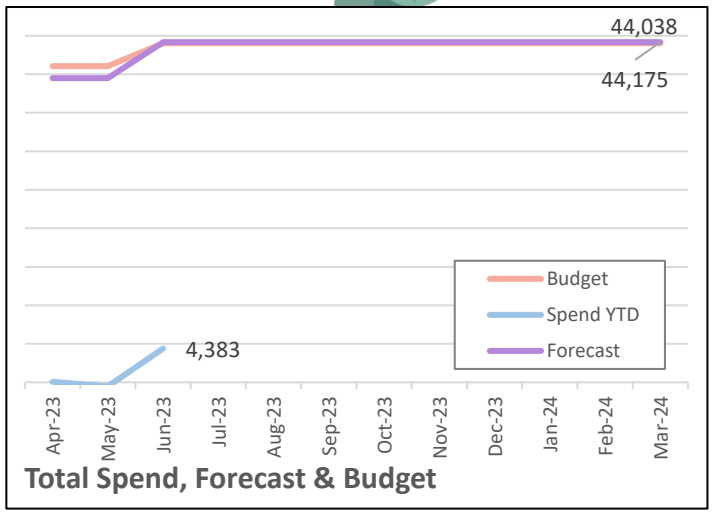
CAPITAL POSITION AT P03





Capital Classification	Annual Budget £000	Actual Spend YTD £000	Forecast Outturn £000	Forecast Variance £000	Explanation of Forecast Variances
Health, Safety and Legal Obligations	12,413	1,526	12,413	0	
New Build	18,378	(1)	18,378	0	
Acquisitions	1,714	0	1,714	0	
Climate and Energy	2,661	722	2,661	0	
Programme Management and ICT	1,880	1,416	1,985	105	Increased capital salaries recharge following review.
Cyclical Capital Maintenance	3,108	63	3,108	0	
Capital Maintenance and Improvements	1,537	87	1,537	0	
Adaptations	1,856	569	1,888	32	Minor overspend forecast on Public Sector Minor works.
Environment and Estates	113	1	113	0	
Crime and Security	378	0	378	0	
Capital Total	**44,038**	**4,383**	**44,175**	**137**	

FINANCIAL DASHBOARD AS AT JUNE 2023

Solihull Community Housing
Shaping our neighbourhoods

RESERVES

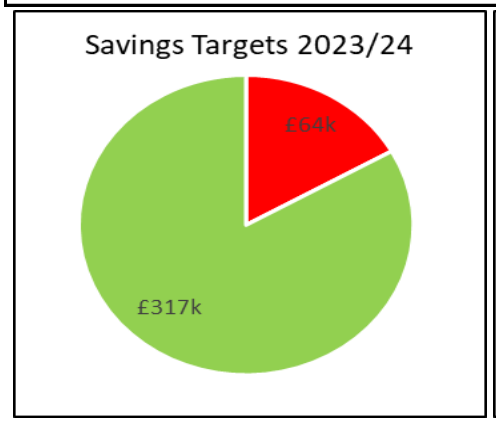
Solihull Community Housing Reserves	Balance 1-Apr-23 £000	Forecast Use 2023/24 £000	Forecast 31-Mar-24 £000	Committed/ Earmarked £000	Comments/ Notes on committed & earmarked use	Available Balances £000
Minimum Working Balance	1,500	0	1,500	(1,500)	Minimum requirement agreed with Auditor	0
Budget Strategy Reserve	2,592	(551)	2,041	0	£551k towards pay offer & employers pension	2,041
BSR: Earmarked for Restructures	539	(40)	499	(499)		0
General Reserve	3,126	(2,741)	385	(849)	£1.324m Structural Surveys, £1.506m Workflow, £102,000 Damp & Mould, £658,000 current outturn forecast	(464)
Total SCH Reserves	7,757	(3,332)	4,425	(2,848)		1,577

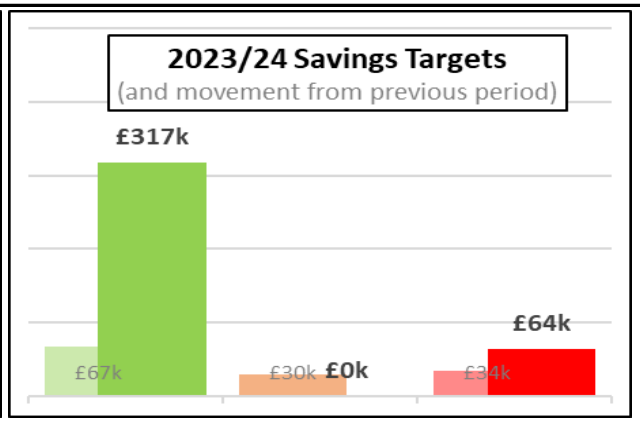
In addition to the commitments shown above, further pressures of £867,000 in 2024/25, rising to £1.150million in 2025/26, have been identified, if these are not mitigated there is a possibility of SCH Reserves being exhausted during the first half of 2025/26.

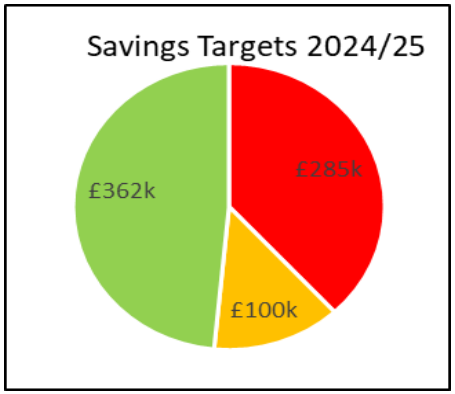
Housing Revenue Account Reserves	Balance 1-Apr-23 £000	Forecast Use 2023/24 £000	Forecast 31-Mar-24 £000	Committed/ Earmarked £000	Comments	Available Balances £000
REVENUE						
HRA Balances/ General Reserves	8,967	(1,855)	7,112	(2,275)	£1.0m DIYSO Scheme, £1.130m Use of Welfare Reform Reserve, Minimum £2.0m working balance required	4,837
Future Capital Investment	678	(678)	0	0	Towards property acquisitions	0
CAPITAL						
Major Repairs Reserve	2,545	(800)	1,745	0	Use of MRR carry forwards in Capital Programme	1,745
RTB Receipts Reserves	11,693	(1,182)	10,511	(3,018)	Earmarked sums towards KHVC Project & Middlewood House	7,493
Capital Receipts Unapplied	984	(52)	932	(932)		0
Total HRA Reserves	24,867	(4,567)	20,300	(6,225)		14,075

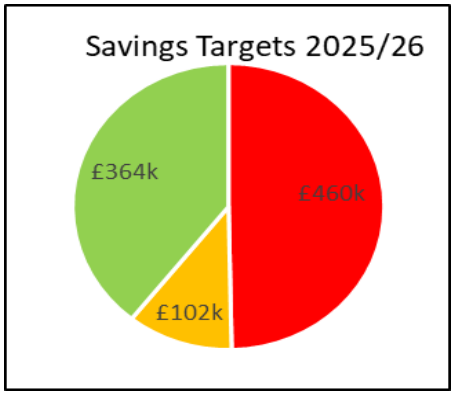
SAVINGS TRACKER

RED Rated Savings Targets 2023/24:		
AM04-Relignment of Services	30,000	Internal delivery of services (repairs & maintenance) that are currently paid for externally
AM07-Contract Management	15,000	QS to provide commercial support for revenue related works as well as capital programme works
HC06-Realignment of Services	18,670	End Movement Incentive Scheme









FINANCIAL DASHBOARD AS AT JUNE 2023

Solihull Community Housing
Shaping our neighbourhoods

ACCOUNTS RECEIVABLE DUE DEBT

At 31-May-23	Current (0-30)	31-60	61-90	91-180	181-365	365+	Total Due	% of Due Debt
Council Debtors	£ -	£ 120	£ 299,103	£ 23,269	£ 11,898	£ 4,703	**£ 339,093**	*87%*
Other Debtors	£ 1,890	£ 9,897	£ 9,971	£ 7,424	£ 9,336	£ 11,739	**£ 50,257**	*13%*
Total AR Debtors	£ 1,890	£ 10,017	£ 309,074	£ 30,693	£ 21,234	£ 16,442	**£ 389,350**	

At 31-Mar-23

Council Debtors	£ 29,330	£ 23,254	£ 838	£ 3,903	£ 13,575	£ -	**£ 70,900**	*63%*
Other Debtors	£ 6,611	£ 9,412	£ 4,230	£ 6,544	£ 4,288	£ 11,333	**£ 42,419**	*37%*
Total AR Debtors	£ 35,941	£ 32,666	£ 5,068	£ 10,447	£ 17,863	£ 11,333	**£ 113,319**	

RENT & CHARGES DEBT

HRA Income	
Overall Income Due	£12,204,959
HRA Income	£11,760,439
Rent Roll	£11,811,398
Percentage rent collected of rent due	96.36%
Percentage rent collected of rent due excl. arrears b/fwd	99.57%

SCH Income	
SCH Rents collectable	£50,412
SCH income of rent due	£49,740
SCH Collection percentage	98.67%

HRA Arrears	Total HRA Debt £	Impairment Required £
31-Mar-23	4,492,332	3,579,117
21-Jul-23	5,004,665	3,846,931
Increase/ (Decrease)		**267,814**
TOTAL CHARGE TO DEBT IMPAIRMENT		**267,814**
Budget available for contribution to Debt Impairment		692,000

SCH Arrears	Total SCH Debt £	Impairment Required £
31-Mar-22	101,848	88,894
21-Jul-23	126,537	112,157
Increase/ (Decrease)		**23,263**
Add: Net Write offs YTD		
TOTAL CHARGE TO DEBT IMPAIRMENT		**23,263**
Budget available for contribution to Debt Impairment		10,000

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SCH: AUDIT & RISK COMMITTEE - 3 July 2023

MINUTES

Present: Mark Thrasher (Chair), Bernie Donnelly, Nigel Page and Dave Pinwell

Officers: Fiona Hughes – Chief Executive
Alison McGrory – Assistant Director (Communities & Partnerships)
Sam Gilbert - SCH Chief Financial Officer
Karen Cranley - Finance Manager
Saroj Pal – Audit Manager
Jahnavi Jagadish – Governance and Risk Management Advisor
Darren Baggs – Executive Director of Operations
Mike Brymer - Head of Asset Management & Development
Carol Trappett – Head of Housing & Neighbourhoods
Sarah Brookes – Business Support Manager
Jatinder Matharu – Project Manager (Item 10 only)

1. WELCOME & APOLOGIES

The Chair welcomed Anna Spencer-Gray from RSM UK Audit to the meeting. Apologies were received from Martyn Sargeant and Mark Wills.

2. ADMISSION OF LATE PAPERS

There were no late papers.

3. DECLARATIONS OF INTEREST

There were no new declarations of interest.

4. MINUTES OF THE LAST MEETING AND MATTERS ARISING

The minutes of the previous meeting held on 20 March 2023 were approved as a true and accurate record.

Due to two members being unable to attend the last meeting it was not quorate. The decisions, made in principle, were reviewed and ratified by the Committee.

5. ACTION LOG

The action log was reviewed and approved.

6. STATUTORY ACCOUNTS

Sam Gilbert, SCH Chief Financial Officer, presented the final draft of the 2022/23 statutory accounts for approval. The statutory accounts included the addition of a Section 172 Statement within the strategic report. There were no other issues of significance.

Mark Thrasher, Chair, asked whether there was a reconciliation of financial accounts to the management accounts as part of the document. Sam Gilbert explained the financial accounts are produced to comply with the Council's Accounting Statement enabling them to be consolidated as part of the Council's group accounts. Therefore, the SCH accounts include a number of transactions that are not included in the SCH

management accounts. It was agreed that a reconciliation of financial accounts to the SCH management accounts would be included as part of the SCH 2022/23 Accounts Board report.

Members queried the strategic report information and highlighted some minor amendments that need to be updated throughout the report. It was agreed the amendments will be forwarded to Sam Gilbert so that she can ensure they are incorporated into the report.

It was agreed that commentary will be included, within the strategic report, where the target performance hasn't been achieved and action that is being taken e.g. gas safety.

ACTION:

A reconciliation of financial accounts to the SCH management accounts will be included as part of the SCH 2022/23 Accounts Board report (Sam Gilbert).

Committee members to email amendments to be included within the Strategic report to sbrookes@solihullcommunityhousing.org.uk by 4th August 2023 (Committee members).

Provide detailed commentary, within the strategic report, where the target performance hasn't been achieved and action that is being taken (Darren Baggs).

DECISION:

(i) **RECEIVED** the SCH 2022/23 statutory accounts.
(ii) **NOTED** the contents of the RSM audit report (item 7 on the agenda) relating to the SCH statutory accounts for 2022/23.
(iii) **RECOMMENDED** the approval of the 2022/23 statutory accounts by the Board.
(iv) **RECOMMENDED** that the letter of representation be signed by the Chairman on behalf of the Board.

7. EXTERNAL AUDIT REPORT 2022/23

Anna Spencer-Gray, RSM UK Audit LLP, summarised the key findings in connection with the audit of the financial statements in respect of the year ended 31 March 2023. She confirmed that there are no outstanding items and this is a great result for SCH.

Mark Thrasher asked about the use of the reserves and Anna Spencer-Gray confirmed that there are no issues or concerns, SCH holds a significant amount of cash at the year end and have a strong net asset position.

It was confirmed that the LGPS pension valuation was showing an asset at the year end. A second asset ceiling valuation was requested by RSM to show the present value of employer future service costs over the future working lifetime of the active scheme members. The second valuation returned a lower asset value than the initial valuation. It was recommended that the lower asset value is recognised and this has been reflected in the financial statements. Dave Pinwell acknowledged the pension position is extremely good news.

Anna Spencer-Gray confirmed the recommendations are not significant, she specifically noted:

- the declarations of interest should be updated whenever there is a change in circumstance, not just on a yearly basis.

It was agreed to update Committee about the future auditors, the extension of the contract with RSM expiries on 31 December 2023.

ACTION:

Provide Committee with an update about the future auditors for SCH (Sam Gilbert).

8. ANNUAL GOVERNANCE STATEMENT

Jahnavi Jagadish, Governance and Risk Management Advisor, presented the Annual Governance Statement (AGS) for SCH detailing the corporate systems, processes and internal controls in place to ensure corporate effectiveness.

Dave Pinwell asked for clarification regarding the aspects of the National Federation Code of Governance that do not apply to SCH. Fiona Hughes, Chief Executive, confirmed that this information is detailed in a report that was taken to Board. Sarah Brookes, Business Support Manager, will provide a copy of the report.

It was agreed that it would be helpful for Richard Hyde to provide an update, at the next Board meeting, confirming the Board structure.

Item 3.4.1 of the report refers to the external audit as of 31 March 2022. It was felt that this should be amended to refer to the current external audit following the completion of the audit work. Jahnavi Jagadish will update the report.

ACTION:

Provide an update, at the next Board meeting, confirming the Board structure (Richard Hyde).

Amend item 3.4.1 of the report to refer to the current external audit (Jahnavi Jagadish).

DECISION:

(i) **ENDORSED** the SCH Annual Governance statement for 2022-23.

9. AUDIT SERVICES MONITORING REPORT & AUDIT PLAN 2023/24

Saroj Pal, Audit Manager, confirmed there were no significant findings from the audits that have been finalised since the last A&R committee.

The draft reports for Accounts Payable/Accounts Receivable and Bank Reconciliation/Payroll have been delayed following the implementation of the Oracle Cloud system. It is anticipated these reports for 2022/23 will be available for review by early July 2023 this includes the Fire Safety (follow up) audit report.

Mark Thrasher asked how an influx of fraud/unplanned investigations impacts the workload of the audit team and how this is managed. Saroj Pal confirmed that much of their work is reactive and time is allocated for this type of work, although this is difficult

to manage. In the future, he would like to build in more contingency time to address the reactive aspect of the audit investigations. At the present time there are no issues to raise in terms of resourcing the SCH audit plan.

There is a dedicated person employed to undertake Social Housing Fraud work and financial resources have been duly allocated from the HRA. Fiona Hughes confirmed that work is being undertaken to scrutinise the cost of the fraud work and the time allocated.

Sam Gilbert identified the significance of contract management and assurance needs to be provided for this area of work. This will be included on the audit plan for 2023/2024.

Fiona Hughes confirmed that we have combined our regulatory responsibilities into the compliance framework assurance.

Mark Thrasher asked about the alignment of corporate risks against the audit risk. Fiona Hughes provided assurance to the Committee that SCH is currently in a joint review with SMBC to ensure that the risk registers are aligned and there is a clear divide between the two sets of documents. We are introducing 5 strategic risks and the existing corporate risks will be reconsidered during the exercise. A consolidated report will be presented to the Committee at the next meeting in September.

Sam Gilbert confirmed the new Oracle Cloud system has been implemented and all the components are live. The system is currently being reviewed by a third party called Grant Thornton. A full report will be presented to the Committee at a future meeting.

Housing Repairs was a level three assurance audit and as requested this report was shared with the Committee. Mark Thrasher asked about the matters that have impacted on the service leading to the same audit assurance score as last year. Mike Brymer, Head of Asset Management and Development, confirmed that the audit report provided a fair and honest appraisal of where the service is to date. One of the main challenges that has continued to impact on the service is related to reduced staffing in the repairs team. Recruiting a permanent resource to manage the responsive repairs team has been challenging, the post has been filled by agency staff for the last 2 years.

Mike Brymer noted that although the service has had some negative results, customer satisfaction has increased. He confirmed that a number of developments are in progress, it is anticipated that these will have a positive impact on the service over the next year. For example, restructuring of the Asset Management Directorate will provide additional capacity and it is expected this will increase the team's resilience and stability to address the audit recommendations.

Alison McGrory confirmed SMBC have experienced similar recruitment challenges and this may pose as a continuing challenge for SCH. Fiona Hughes explained we are unable to compete with the private sector and consequently a review our salary expectations will need to be undertaken.

It was identified that the recruitment issue may be impacting on our KPI targets and this will need to be reviewed under our strategic risks.

Bernie Donnelly acknowledged the work being undertaken to improve the responsive repairs service and mentioned some of the reactive repairs could be avoided if there was more cyclical maintenance. She provided an example of drains/gutters that are not incorporated into a maintenance programme. Mike Brymer confirmed the new structure integrates plans to strengthen the planned maintenance prevention work and we are currently resourcing this work.

Alison McGrory asked if the restructuring of the Directorate is a carry forward from the previous audit. It is a continuation from the previous audit and the significant gaps in the structure e.g. Repairs Manager and increase of repairs has directly affected performance.

ACTION:

Include Contract Management on the 2023/2024 audit plan (Saroj Pal).

Following a joint review with SMBC regarding the corporate risk registers a consolidated report will be presented to the Committee at the next meeting in September (Fiona Hughes/Jahnavi Jagadish).

A full report will be presented to Committee after the external review of the new Oracle Cloud system has been undertaken (Sam Gilbert).

Review the impact of the recruitment complexities on our KPI targets and actions that will be taken (Fiona Hughes).

DECISION:

(i) **NOTED** the work of Internal Audit.
(ii) **APPROVED** the SCH Audit Plan for 2023/24 subject to the inclusion of a Contract Management audit.

10. CORPORATE RISK REGISTER UPDATE

Jahnavi Jagadish explained the identified corporate risks are in a state of flux whilst they are aligned to the SMBC risk register.

Mark Thrasher queried ‘SCH0201’, this risk is currently under review and will be re-defined.

The Committee welcomed the review and look forward to having oversight of the improved risk register. Sarah Brookes will confirm with members when the annual review will be presented to Board.

ACTION:

Confirm when the annual review will be presented to Board (Sarah Brookes).

DECISION:

(i) **NOTED** the current position in relation to identified corporate risks.

11. REVIEW OF OPTIONS FOR RECOVERY OF LEASEHOLDER DEBTS

Carol Trappett, Head of Housing and Neighbourhoods, provided committee with details of the processes in place for the recovery of leaseholder debt. Carol Trappett confirmed a ‘charge against the property’ is included under item 5.1 (charging order).

Alison McGrory confirmed it is standard practice for council tax to remove goods from a property by using a third party e.g. bailiff. The option works well for SMBC and has positive results. Carol Trappett agreed to review this option.

Mark Thrasher asked about the scale of leaseholder debt and its value. Carole Trappett will provide specific account information regarding the leaseholder debt and a break down in terms of service charge and planned works. Leaseholder debt is not written off, a charge would be put against the property.

Nigel Page confirmed there have been ongoing issues regarding leases and lack of transparency, this is a similar position in other organisations.

Dave Pinwell asked about the issue of potential negative equity that maybe experienced from the Right to Buy process. Carol Trappett explained that where financial hardship is experienced SCH will review our right to buy back the property. Each case is reviewed on its own merit however SCH would only pay market value for the property.

ACTION:

Review the option of using a third party to remove goods from a property where a debt remains unpaid (Carol Trappett).

Provide members with account information regarding the leaseholder debt and a breakdown in terms of service charge and planned works (Carol Trappett).

DECISION

(i) **NOTED** the effectiveness of the existing processes and procedures.
(ii) **NOTED** the plans to continue working with Neighbouring Local Authorities and to seek best practice.

12. PROCUREMENT UPDATE

Following a review pf the most recent audits by the Chair it was agreed to remove routine procurement updates from future agendas.

DECISION

(i) **NOTED** routine procurement updates will no longer be considered by the Committee.

13. ONESCH UPDATE

Jatinder Matharu, Project Manager (Workflow & Digital), joined the meeting for this item. She has successfully appointed into key posts and this has strengthened programme resourcing.

The revised ONE SCH programme overview and milestones for delivery was presented in appendix one. The procurement notice/invitation to tender will be published on 7 July 2023.

Dave Pinwell acknowledged the good news that we have secured resources for this project in a challenging market. He asked if it is likely that the external resource from SOCITM (Business Process Analyst) will be required for a longer period that the six

months that has been agreed. SCH have recruited a Business Analyst to work alongside the external resource and this will be an opportunity for transferring the skills in-house.

Following a question raised about the risks associated with the project, Jatinder Matharu agreed that future reports will include the project risks.

Dave Pinwell asked if there any additional high level documents that could be provided to the committee to ensure they have a comprehensive understanding of the project for scrutiny purposes. This will be reviewed and options considered.

Nigel Page was conscious that the key milestones were during the summer holidays and asked if this had been taken into consideration. Jatinder Matharu confirmed this had been considered when agreeing project timelines.

ACTION:

Review documentation presented to Committee and identify if any additional high level documents can be provided to ensure committee have a comprehensive understanding of the project (Dave Pinwell and Jatinder Matharu).

DECISION:

(i) **REVIEWED** the progress against the various programme workstreams.
(ii) **NOTED** the intention to progress to the procurement phase.

14. FORWARD PLAN

ACTION:

Procurement update will be removed from future meeting agendas (Sarah Brookes).

15. ANY OTHER BUSINESS

Fiona Hughes asked the Committee to note a negative determination from the Ombudsman. She provided assurance that a full report will be brought back to committee detailing a synopsis of the gas related complaint.

ACTION:

Report will be presented to Committee following the negative determination from the Ombudsman (Fiona Hughes).

16. DATE OF NEXT MEETING

25 September 2023 @ 10.30am – School Room, Endeavour House

Signed by Chair: ……Date: ……..….
12.05 pm

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SCH: BUILDING SAFETY TASK & FINISH GROUP - 10 July 2023

MINUTES

Present: Richard Hyde (Chair), Phil Hardy, Nigel Page and Bernie Donnelly

Officers: Fiona Hughes, Chief Executive
Darren Baggs, Executive Director - Operations
Mike Brymer, Head of Asset Management and Development
Mark Wills, Health, Safety & Risk Manager
Alison Clark-Williams, Head of Building Safety
Mary Morrissey, Director for Economy & Infrastructure
Sarah Brookes, Business Support Manager

1. WELCOME AND APOLOGIES

Apologies received from Mark Thrasher and Martyn Sargeant.

2. ADMISSION OF LATE PAPERS

A late paper was circulated, for information, to Committee on Friday 7th July. This summarised the existing hazard management measures and initial risk rating following the Curtins structural inspections.

Fiona Hughes, Chief Executive, confirmed a comprehensive report will be shared at the next meeting.

3. DECLARATIONS OF INTEREST

There were no new declarations of interest.

4. MINUTES OF THE LAST MEETING HELD ON 17 APRIL 2023

The minutes of the previous meeting were approved by the Group.

5. ACTION LOG

Alison Clark-Williams, Head of Building Safety, provided an update on the outstanding actions:

- **0123-1**: West Midlands Fire Service reviewed the Building Safety Plan and were comfortable with our approach. It was internally agreed that the plan should be refreshed and that estimated costs, budget allocation and delivery options should be included. A time extension has been agreed to include the additional ‘real time’ information in the July Building Safety (BS) Composite report. This will be presented to the next Building Safety Task and Finish (BST&F) Group.

Phil Hardy asked if the Fire Service suggested any interim mitigation measures or if the current actions were sufficient. Alison Clark-Williams confirmed the Fire Service have absolute confidence in our approach to keeping our buildings

safe. We have constant dialogue with the Fire Service and this ensures the position is constantly monitored and reviewed. We may not be able to deliver all the actions within the plan however this will be prioritised and the Group will be updated accordingly.

Mary Morrissey, Director of Economy and Infrastructure, asked if SCH have written assurance from the Fire Service. Alison Clark-Williams confirmed that she will action this request and ensure assurance is confirmed in writing rather than verbally.

ACTION: Obtain written assurance from the Fire Service confirming they are happy with our approach to Building Safety (Alison Clark-Williams).

- **0123-2**: The Escalation to the Principal Accountable Person and the Chair of the Board report was submitted and reviewed by the SMBC Building Safety Assurance Board (BSAB) and it was agreed that the report will be amalgamated with the Self-Referral to the Regulator report and put into a procedure that will be presented to the BSAB in July. The procedure will be presented to the BST&F Group in October.

- **0123-3**: Fiona Hughes confirmed a proposal that the BST&F Group should become a committee. Mary Morrissey and Fiona Hughes are currently in discussion about this to ensure there is no overlap with this meeting and the BSAB.

Mary Morrissey identified that with more regulations being introduced it is pertinent and an appropriate way forward to make this group a formal committee. Nigel Page agreed however we need to be vigilant that there isn't a duplication of information presented to other committees.

Mary Morrissey and Fiona Hughes have commissioned an audit to provide useful information in terms of our approach in the future. This review is scheduled for quarter two, recommendations will be considered and a formal report will be presented.

ACTION: Provide the Group with an update following the audit recommendations on our approach to Building Safety (Fiona Hughes).

It was unanimously agreed by members that the BST&F group should become a formal committee.

6. SCH BUILDING SAFETY COMPOSITE REPORT

Mark Wills, Health, Safety and Risk Manager, presented the legislative/guidance update report. He particularly noted:

- Peter Baker has retired from the HSE and his role of Chief Inspector of Buildings. Phillip White, HSE's current Director of Regulation and former

Head of Construction Division, will take over his responsibilities on an interim basis.

- The HSE have published further guidance on the roles and legal duties of accountable persons and principal accountable person for a high rise residential building. To assist in checking that legal requirements and duties of the Principal Accountable Person are being fulfilled, a checklist has been produced to provide assurance that responsibilities are being met.

Alison Clark-Williams presented the building safety composite report for May 2023 and a progress update on the Building Safety Implementation Plan (BSIP). She particularly noted:

- **4.1.6** - From 23 January 2023, the Fire Safety Regulation 2022 made it a legal requirement to undertake quarterly checks of all communal fire doors and annual checks of all flat entrance doors. The first quarter checks were completed at the beginning of June 2023 and the second round of communal inspections are ongoing.
- **4.1.26** – Overdue FRA remedial actions has been reduced, currently we have 219 overdue actions. The 'quick wins; have been completed and we are now concentrating on the more detailed actions. An external review of the data has been commissioned and it is anticipated that the review will commence on 24th July.
- **4.1.30** – A FRA Implementation Plan is in development and this will be reported to this group in October 2023.
- **4.1.44** – The desktop assessment phase for the structural surveys has been completed and the structural risk log was circulated with the papers (Appendix 6 of this report).
- **4.1.57** – A Task and Finish group has developed response process for responding to future sprinkler activations. Further work will be undertaken and an update will be provided in a future report.
- **4.2** - As of June 2023 the number of domestic properties that did not have a valid gas safety certificate has reduced to five, none of which were situated in a high-rise block.
- **4.4.2** – A new table is now included within the BS composite report and this presents the total number of properties where records show asbestos is present (93.29%).
- **4.7.8** – There has been a 40% improvement, since the last report, for completing damp inspections within the 14 day target.
- **5.3** – A summary of the current progress against the BS Implementation Plan was provided as Appendix 9. Three of the targets are not on track but recoverable.

  ACTION: Provide a report on the FRA Implementation Plan in October 2023 (Alison Clark-Williams).

  ACTION: Provide an update on our approach for responding to future sprinkler activations taking learning from previous incidents (Alison Clark-Williams).

Richard Hyde, Chair, thanked Alison Clark-Williams and Mark Wills for their ongoing diligence towards our BS requirements. Phil Hardy noted the excellent work that is being undertaken to complete the damp inspections within 14 days.

Nigel Page queried the structural defect, identified by Curtins (4.1.49) and asked why this wasn't exposed by SCH. Alison Clark-Williams explained that the complex nature of its location led to this omission and a working group has been set up to review options.

Mary Morrissey asked if we could work with our contractor to improve the inspection regime, identifying issues and acting on them more efficiently. Fiona Hughes acknowledged this comment and in ideal world this should have happened. She provided assurance that we are reviewing our processes and will report back to the group when this has been completed.

Mike Brymer, Head of Asset Management and Development, confirmed that we would normally pick up structural defects on our stock condition surveys however this was an exception and going forward we will consider an audit of ancillary buildings.

Phil Hardy noted the five year stock condition surveys and agreed that these are relevant however we need to implement additional assurance methods that sit alongside the stock condition programme to ensure safety of our homes/properties on a day to day basis.

Fiona Hughes confirmed that detailed information will be presented to the group at October's meeting.

> **ACTION:** Undertake an options appraisal to ensure safety of our stock on a day to day basis and present to the Group in October 2023 (Darren Baggs/Alison Clark-Williams).

Fiona Hughes identified a typing error on page one of the supplementary structural report. Alison Clark-Williams will review and correct the information for the next meeting.

Phil Hardy queried the 547 'no access' properties on the carbon monoxide and smoke detection installation programme and if it is reasonable to include this work in 'business-as usual' procedures such as gas servicing and electrical inspection visits. He would also like assurance about the risk associated and if they are low risk properties that have not been accessed.

Alison Clark-Williams explained that currently an assessment of the 547 no access properties has not been undertaken to determine the level of risk but will arrange and provide an update in the next meeting. We are looking to exploit all access options available. We are comfortable from government guidance supplied by Jane Carter, SMBC H&S Advisor, that as we can evidence the multiple access attempts made for each property, to continue to attempt access through BAU processes is a reasonable position for SCH.

Darren Baggs acknowledged the concern raised and agreed to review the customer contact options that are available to SCH. Alison Clark-Williams will review the risk and provide an update when this work has been undertaken.

> **ACTION:** Risk Assessment of the 547 no access properties to be undertaken (Alison Clark-Williams)

Phil Hardy asked if the NFA are collating information about poor quality law practices pursuing disrepair claims for submission to the DLUHC. He further advised that the NHF are doing this and Fiona Hughes agreed to pursue this with the NFA.

> **ACTION:** Discuss the use of poor quality law practices with the NHF (Fiona Hughes).

Darren Baggs, Executive Director of Operations, identified a suspected structural defect in one of the biomass plant rooms. He confirmed we are monitoring the structural integrity of the wall and the gas supply has been isolated. The next process will be to extract the biomass pellets from the storage area and review the work required to the dividing wall. The Group can be assured that we will mitigate any risks that may be associated and the residents hot water/heating remains operational.

Mary Morrissey considered a plant room to be a high risk building and raised further concern regarding the inspection process. Mike Brymer confirmed that monitoring regimes are in place which should have highlighted the structural issues and he was disappointed that this was not recognised earlier.

Phil Hardy was pleased with the actions taken in response to the structural issues and the communication that has been provided. He requested some analysis work to be presented at the next Housing Operation Committee regarding the impact on service charge costs from the switch over from biomass to gas heating. Darren Baggs will provide some forecasts for the next Housing Operations meeting.

> **ACTION:** Provide Housing Operations Committee with information regarding the impact on service charge costs following the structural issue in the biomass plant room (Darren Baggs/Alison Clark-Williams).

The Group agreed to note the report.

7. FORWARD PLAN

There were no matters raised.

8. ANY OTHER BUSINESS

Richard Hyde thanked Mike Brymer for his effort and contribution during his time at SCH and, on behalf of the Group, wished him the very best. Mike Brymer thanked the Group and highlighted that SCH are in a strong place in

terms of building safety and this is echoed within the Fire Service. He wished everyone the best for the future.

Mary Morrissey noted that the discussions held during the meeting today has shown the added value of this Group and how actions are put forward for further analysis and improvement work. Richard Hyde asked if there is any value merging the SCH and SMBC Building Safety meeting. Presently, Mary Morrissey confirmed that SCH need to provide assurance for their own stock and debate this a later date.

Meeting closed at 17:32

9. DATE OF THE NEXT MEETING

Monday 9th October @ 4.30pm via Teams.

Signed by Chair: ……Date: ……..….

Meeting of the Board

Report title:	Regulatory compliance	
Meeting date:	4 September 2023	
Report from:	Martyn Sargeant, Executive Director – Customer Service, Transformation and Business Support	
Report author/ lead officer:	Martyn Sargeant 0121 704 8667	Executive Director Martyn.sargeant@solihullcommunityhousing.org.uk
Report type:	~~Confidential~~ Open	
Decision type:	Assurance	~~Approval~~ ~~Information~~

1. Report overview/purpose

1.1 To update the Board on work to ensure SCH is able to respond to changes in regulatory requirements for the housing sector.

2. Recommendations

2.1 The Board is asked to:

(i) NOTE the update on preparations for changes to regulation in the social housing sector.

3. Background

3.1 Over the last two years, the Regulator of Social Housing and the government have undertaken preparatory work leading towards changes in the regulatory regime for social housing. In particular, this has focused on:

- Changes to the requirements around consumer standards, including proposals to implement a new assurance regime, which is expected to involve an element of inspection.
- Tenant satisfaction measures (TSMs), intended to enable tenants to better understand how their landlord was performing against a set of national benchmarks.
- Increasing professionalisation of the housing sector, supporting employees to develop their skills and qualifications and providing greater confidence to customers.

3.2 A key aspect of the strengthened regulation is its focus on the council, as the owner of the housing stock. The Strategic Housing Board, chaired by the Director of Economy and Infrastructure, will have oversight of preparedness for the introduction of the new regulatory regime. A combined SCH/SMBC working group will be chaired by the SCH Chief Executive.

3.3 The Board will be aware of increased regulatory oversight of building safety matters and a strengthened approach by the Housing Ombudsman to the management of complaints. Although not considered as part of this report, they are part of the wider operating context for SCH.

4 Consumer regulation

4.1 The most significant development since the last update is that the Regulator has launched its public consultation on the proposed new consumer standards. The consultation will run to mid-October and SCH will contribute through the National Federation of ALMOs. More details are available on the government website.

4.2 The Regulator had indicated that it would be moving to a suite of six standards (currently four) but the consultation is actually on the basis of four:

- Safety and quality
- Transparency, influence and accountability
- Neighbourhood and community
- Tenancy

4.3 SCH has commissioned Savills to undertake an assessment of preparedness, which has been carried out over the summer. A verbal update will be provided at the Board meeting with the full report available later in September.

4.4 An important component of preparing for regulation is ensuring that SCH has relevant and up-to-date policies and strategies in place. These will form an important element of the Regulator's desktop analysis. A recent mapping exercise has identified 75 policy or strategy documents that will need to be in place. Of these, 24 (roughly a third) are in place and up-to-date. A further 29 (just over a third) are in place but need to be reviewed to ensure they remain fit for purpose or are already under development. Work has yet to start on the remaining 18 (about a quarter). Each policy or strategy has been prioritised for action, with the first tranche due for completion in the autumn (about a quarter), and the remainder (the other three quarters) due by the end of March 2024. This will be monitored through the Executive Leadership Team and the regulation working group.

5 Professionalisation

5.1 The Social Housing (Regulation) Act 2023 passed into law in July 2023. An important component of the Act is a new requirement relating to the competence and conduct of senior housing staff. The law requires that 'senior housing

executives' and 'senior housing managers' have either achieved or are working towards 'a specified qualification in housing management'[1].

5.2 In anticipation of this, SCH has undertaken a baseline assessment of its managers' qualifications. This indicates that there will be a gap to be closed to ensure SCH becomes compliant. The professionalisation agenda will be a key priority for the new Organisational Development Lead, who has recently joined SCH, and will be a major element of the organisational training plan. At the moment, more information is awaited about the details of the requirements and potential funding that may be available to support housing organisations.

6 Tenant Satisfaction Measures (TSMs)

6.1 Enabling housing organisations and tenants to assess and compare performance is a particular priority of the changing regulation landscape. SCH has already undertaken significant preparatory work for the TSMs, supported by Acuity, which carries out customer satisfaction surveys on SCH's behalf. First quarter data has been collected for TSMs and now forms the primary element of the performance reporting received by the Board. The first quarter performance is the subject of an information report later on this agenda and will be reviewed in detail by the Housing Operations Committee later in the month.

6.2 Housemark was commissioned to undertake an assessment of SCH's collection of TSM data, for which the report was received in July. The executive summary stated:

> *Overall, the level of assurance Housemark can provide at this stage is limited, particularly within building safety and complaints measures, including a major concern to highlight with the data available for water safety risk assessments to individual properties. For most risks and concerns identified though, there are common or regularly occurring issues against multiple assessment criteria that will be resolved by addressing the recommendation for each TSM affected.*

6.3 Whilst the headline finding is cause for concern, the report notes that a number of the challenges are due to changed methodology and/or lack of detail about the required methodology. Further, the issues faced by SCH are common, based on the multiple audits Housemark has carried out. The report provides a detailed action plan on an indicator-by-indicator basis and, of the actions set out, only one is ranked as high priority (relating to water safety). Some of the actions have already been completed and the remainder will be resolved over the coming weeks, overseen by the regulation working group.

7 Supporting the SCH Delivery Plan

[1] https://www.legislation.gov.uk/ukpga/2023/36/section/21/enacted

7.1 Ensuring SCH is regulation ready is a key priority of the 2023-24 Delivery Plan and underpins the full range of SCH's activities and responsibilities.

8 Consultation and engagement

8.1 There has been no specific consultation in relation to this report; however, the SCHAPE panel considers performance information as part of its scrutiny role.

9 Financial implications

9.1 There are no specific cost implications arising from this information report. The costs of delivering services are covered by the annual budget setting process.

10 Legal implications

10.1 The Social Housing (Regulation) Act 2023 sets out a range of statutory duties for registered providers and local authorities. The activity set out in this report will ensure legislative compliance for both SCH and the Council.

11 Risk implications

11.1 The risks arising from failing to meet specific targets and regulatory compliance are included within the general risk management framework.

12 Equalities implications

12.1 There are no equalities implications arising from this report.

13 Background papers

Preparing for regulatory changes, report to the SCH Board, 22 May 2023

Meeting of the Board

Report title:	Quarter 1 Performance Update		
Meeting date:	4th September 2023		
Report from:	Martyn Sargeant, Executive Director – Customer Service, Transformation and Business Support		
Report author/ lead officer:	Katy Vincent 07787 286779	Business Intelligence Manager katyvincent@solihullcommunityhousing.org.uk	
Report type:	~~Confidential~~ Open		
Decision type:	Assurance	~~Approval~~	Information

1. Report overview/purpose

1.1 To give an update on performance at the end of Quarter 1 of 2023/24 where targets have not been met.

2. Recommendations

2.1 The Board is asked to:

(1) Note those indicators, and the associated narrative, where the target performance has not been achieved.

3. Performance Summary

3.1 At the end of Q1 23/24 there were 33 KPIs with targets. In summary, performance was:

		Trend
23	Target is being met	↑
2	Performance is within the tolerance range	↓
8	Target is not being met	↑

3.2 Improvements have been made against:

- HO5 - Percentage of homeless approaches where prevention or relief achieved. This was above target at the end of 2022/23, but has further improved to 60.52% for 2023/24 year to date compared to 55.41% at previous year end.
- HO3a - Average stay (families with children) in budget hotels. Whilst this measure remains below target, as detailed below, the Q1 position at 33 days is an improvement on the end of year 2022/23 figure of 35 days.
- VL13 - Percentage of rent loss due to voids. This measure was a red indicator at the end of 2022/23, and so far in 2023/24 has an outturn of 0.99% which is below the target of 1.35%. This isn't directly comparable to the 2022/23 due to the removal of unlettable voids but is an improvement to now be within target.

4. Performance Exceptions

4.1 There were eight red indicators at end of Q1, which is above the position at the end of Q4 22/23, when there were six red indicators. There were a further two off target but within tolerance, down from seven at the end of Q4 22/23. The red issues were:

4.2 CH02a - Complaints resolved in timescale (Stage 1)

Year to date figure is 69.66%, and there was a drop in performance during June. However, there has been an 84% increase in complaints received in June compared to May. Whilst the volume has increased, 72% of complaints were completed on time in May compared to 67% for June, therefore the reduction in out of target isn't as significant as the increase in volume.

Initial investigations suggest that capacity within the resource dealing with complaints has contributed to the delay in meeting timescales. The oversight from Customer Feedback also hasn't been as active as in previous months due to resource changes, and this support is being reviewed.

4.3 AM1a - Percentage of properties with valid gas certificate

As of June 2023, five domestic properties did not have a valid gas safety certificate giving an outturn of 99.84% of properties having a valid gas safety certificate.

As at 9th August 2023, there were ten domestic properties without a certificate. None of which were in a high rise block. Of these ten, one had an eviction date confirmed, four have a confirmed appointment date and the remaining five are currently having legal packs prepared by the Safer Homes team.

4.4 TP06 – Satisfaction that SCH listens to and acts upon tenants' views

The Q1 outturn was 66.67%, which is a decrease of 5.51% from the Q4 22/23 position.

Further desktop analysis is currently in progress to understand the property and demographic profile of the respondents and identify any themes.

We will also be contacting a sample of respondents to carry out quantitative interviews to gather further detailed feedback.

4.5 **TP07 – Satisfaction that SCH keeps tenants informed about things that matter to them**

The Q1 outturn was 70.97%, which is a decrease of 11.42% from Q4 2022/23 position.

As per TP06, further desktop analysis is currently in progress to understand the property and demographic profile of the respondents and identify any themes.

We will also be contacting a sample of respondents to carry out quantitative interviews to gather further detailed feedback.

4.6 **TP09 – Satisfaction with SCH's approach to handling complaints**

The Q1 outturn was 48.57%, which is an increase of 14.19% from the Q4 2022/23 position.

Whilst this position has been much improved, performance has been lower since the requirements for this measure have been amended when the TSMs were finalised. This survey question is now filtered by asking residents if they have made a complaint, and then only those that have respond to this question.

Where residents expressed consent to be contacted for further feedback follow up calls are being made to understand the cause of dissatisfaction.

4.7 **AM1b - Percentage domestic properties with a satisfactory Electrical Installation Condition Report**

In June 2023, 139 properties had not had an electrical test within 5 years. This gives an outturn of 98.58% compared to 98.64% at the end of 2022/23.

There has been a Neighbourhood Officer appointed who will be focussing on electrical safety and working to target no-access properties.

4.8 **AM1g - Percentage of high rise fire safety remedial actions completed to timescale**

At the end of Q1, 16.54% of completed high rise fire safety remedial actions were completed within target timescales.

Some of the works completed needed a specialist contractor, so arrangements were needed to appoint therefore adding to the time for completion. There are also records relating to the provision of documentation to FCMS and we are investigating providing FCMS with access to Swordfish, but in the interim, the team are working with FCMS to provide any documentation before they carry out an FRA so that we can prevent documentation actions.

A new Fire Safety Manager started with SCH at the beginning of August to take the lead on the Fire Risk Assessment Programme and associated FRA Remedial Actions. Work is also underway to create a streamlined assurance reporting process in place of the Composite Report, which will create more capacity within the Safer Homes Team to focus on the delivery of actions.

4.9 **HO3a - Average stay (families with children) in budget hotels**

The year to date outturn is an average stay of 33 days, and remains above the target of 15 days. This is an improvement on the 2022/23 position, which was 35 days.

The average stay in budget hotels for families has been higher than target since August 2022 due to various pressures. Outturns for May and June show positive progression to reducing the average stay. A B&B Action Plan has now been developed and is supported by DLUHC, detailing required actions to reduce placements for families, particularly over the 6 week marker.

5. Tenant Satisfaction Measures

During Q1, the next round of quarterly tenant satisfaction measures surveys were undertaken. Of the twelve measures, three were below target (as detailed above), one was below target but within tolerance, and eight were above target.

This is a positive result as at the end of 2022/23 the year end position was three measures below target, seven below target but within tolerance, and two above target. Overall satisfaction with SCH has increased and sat at 80.28%.

With the additional resource in the Business Intelligence Team, further analysis into results can be done to gain insight into trends and areas for service improvement.

A review of the size and methodology of the current Acuity survey taking into consideration the Housemark review of TSMs has been undertaken. Acuity has reviewed SCH’s sample size to ensure alignment with TSM requirements. The use of telephone surveys continues, as this offers opportunities to gather feedback and probe dissatisfaction to improve service delivery.

6. Ongoing Work

Following the formation of the Business Intelligence Team, a Business Intelligence Manager and Data Analyst have now been appointed and focussing on embedding this function within SCH.

Work has been undertaken to review existing KPIs and their methodologies to ensure all are consistent with agreed definitions. This has involved working closely with operational teams to understand their data and ensure an accurate understanding of existing reporting.

7. Supporting the SCH Delivery Plan

7.1 Supports the enabling theme *'How we work: delivering sustainable, value-for-money services, proactively adopting digital technology to enhance how customers interact with SCH, whilst using robust data to drive evidence–led service improvement'.*

8. Consultation and engagement

8.1 There has been no specific consultation in relation to this report; however, the SCHAPE panel will consider the summary of performance.

9. Financial implications

9.1 There are no specific cost implications arising from this information report. The costs of delivering services are covered by the annual budget setting process.

10. Legal implications

10.1 TSM management and perception indicators are a regulatory requirement.

11. Risk implications

11.1 Not calculating the TSMs accurately in line with the technical requirements could lead to a regulatory judgement.

12. Equalities implications

12.1 There are no equalities implications arising from this report.

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Meeting of the Board

Report title:	Annual Review against Complaints Code of Guidance		
Meeting date:	4 September 2023		
Report from:	Becci Youlden, Head of Customer Experience – Customer Service, Transformation and Business Support		
Report author/ lead officer:	Claire Albrighton 07765 066 083	Customer Contact Manager clairealbrighton@solihull.gov.uk	
Report type:	~~Confidential~~ Open		
Decision type:	Assurance	~~Approval~~	~~Information~~

1. Report overview/purpose

1.1 To set out details of SCH's annual self-assessment against the Housing Ombudsman Code of Guidance and arrangements to meet full compliance.

2. Recommendations

2.1 The Board is asked to:

(i) **NOTE** the outcome of the self-assessment against the Housing Ombudsman Code of Guidance and arrangements to ensure full compliance

3. Background

3.1 The Housing Ombudsman Service requires landlords to adhere to the mandatory Code of Guidance for Complaints.

3.2 The aim of the Code of Guidance is to promote best practice across the social housing sector, ensure that the voice of the customer is heard and acted upon and to have greater consistency in complaint handling

3.3 The Code of Guidance for Complaints requires a landlord to conduct an annual review against the self-assessment. In addition, the self-assessment and any outcomes require review by the board and for it to be published externally. SCH isdue to publish the self-assessment in October 2023.

3.4 It should be noted that it is the Council (SMBC) who isthe registered members of the Housing Ombudsman Service as owners of the housing stock and any judgements made are issued to the Council. In practice the investigation of complaints is delegated to SCH.

3.5 The self-assessment is to enable a landlord to see how they are doing against the Code and help identify areas where improvements may be undertaken. The publishing of the self-assessment should enable residents to see how their landlord is doing and any actions that are being taken as a result. This may be published on a landlord's website or through the usual resident communication channels. There is no requirement to provide a copy to the Ombudsman unless this is requested as part of the evidence required for an investigation.

4. Self-assessment review

4.1 The detailed outcome of the self-assessment is attached at Appendix A, it shows that in most areas the current SCH Complaints Policy is compliant with the Housing Ombudsman Code of Guidance. The key areas for improvement are:

Ref	Action	Status
4.18 & 6.2	Review & publish 2 policies. Unacceptable Behaviour & Compensation	ELT review underway, publication planned for end of September. Self-Assessment can then be published with action complete.
3.3, 4.15, 5.1, 5.2, 5.3. 5.4, 6.1, 6.2, 6.5,	Refresher training for all Investigating officers, offering clarity on HOS expectations.	Training booked in each service area throughout September
7.6	Review of PDR's across all roles	PDR process to be reviewed by the new OD Manager. This will be included in the review.
7.2	Review and improve reporting of learning from complaints, and evidence of complaints driving service improvement. Review published both internally and externally	Customer Feedback team in conjunction with Business Intelligence & Communication Team will review and enhance by end of Q3

5. Supporting the SCH Delivery Plan

5.1 Complaint handling is relevant throughout the SCH Delivery Plan. In particular as an enabler within engagement, where we commit to listening to the diverse voice of our customers so they can shape and improve services.

6. Consultation and engagement

6.1 The review of the self-assessment has been undertaken by the Customer Feedback Team, the Complaints Action Plan will review the engagement and inclusion of tenants in the complaints process. The VIP panel haspreviously been involved in reviewing policies associated with complaint handling, however has not been involved in the self-assessment process.

6.2 Actions from the self-assessment will be consulted on, for example the unacceptable behaviour policy and compensation policy, they will then be published on the website to ensure tenants are informed

7. Financial implications

7.1 There are no financial implications to consider for the self-assessment itself, however the action of reviewing a compensation policy could potentially have financial implications. As part of the review approval is required from ELT therefore financial implications will be reviewed.

8. Legal implications

8.1 Although there is currently no legislation governing the Housing Ombudsman Service code, it is a mandatory code. However we are aware that the HOS works closely with the Regulator and steps are underway to make it a legal/statutory requirement in the future

9. Risk implications

9.1 The review of the self-assessment has not highlighted any increase in risk exposure. However, ELT has recently agreed to create a new risk that focuses on complaints, given the increase in regulatory activity and a recent adverse judgement against SCH.

10. Equalities implications

10.1 Not applicable as no change to policy.

11. List of appendices

Appendix A – Summary of Complaints Code
Appendix B – Self Assessment Document (including actions)

12. Background documents

None

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Appendix B – Self-Assessment Form

This self-assessment form should be completed by the complaints officer and discussed at the landlord's governing body annually.

Evidence should be included to support all statements with additional commentary as necessary.

Explanations must also be provided where a mandatory 'must' requirement is not met to set out the rationale for the alternative approach adopted and why this delivers a better outcome.

Section 1 - Definition of a complaint

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
1.2	A complaint must be defined as: '*an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents*.	Yes	SCH Policy has same definition
1.3	The resident does not have to use the word 'complaint' for it to be treated as such. A complaint that is submitted via a third party or representative must still be handled in line with the landlord's complaints policy.	Yes	Accepted
1.6	… if further enquiries are needed to resolve the matter, or if the resident requests it, the issue must be logged as a complaint.	Yes	Stage 1 complaint logged where investigation required to reach resolution
1.7	A landlord must accept a complaint unless there is a valid reason not to do so.	Yes	Limited exclusions specified in policy

1.8	A complaints policy must clearly set out the circumstances in which a matter will not be considered, and these circumstances should be fair and reasonable to residents.	yes	Limited exclusions specified in policy
1.9	If a landlord decides not to accept a complaint, a detailed explanation must be provided to the resident setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman.	Yes	Provision in policy

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
1.4	Landlords should recognise the difference between a **service request**, where a resident may be unhappy with a **situation** that they wish to have rectified, and a **complaint** about the **service** they have/have not received.	Yes	Reinforced in regular training for frontline teams/covered in Contact Centre scripting
1.5	Survey feedback may not necessarily need to be treated as a complaint, though, where possible, the person completing the survey should be made aware of how they can pursue their dissatisfaction as a complaint if they wish to.	Yes	Worked with Acuity to embed this

Section 2 - Accessibility and awareness

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
2.1	Landlords must make it easy for residents to complain by providing different channels through which residents can make a complaint such as in person, over the telephone, in writing, by email and digitally. While the Ombudsman recognises that it may not be feasible for a landlord to use all of the potential channels, there must be more than one route of access into the complaints system.	Yes	Online form, telephone, email, in writing, in person
2.3	Landlords must make their complaint policy available in a clear and accessible format for all residents. This will detail the number of stages involved, what will happen at each stage and the timeframes for responding.	Yes	Complaint policy is available on website
2.4	Landlord websites, if they exist, must include information on how to raise a complaint. The complaints policy and process must be easy to find on the website.	Yes	Special area on the website for complaints information including performance – policies etc.
2.5	Landlords must comply with the Equality Act 2010 and may need to adapt normal policies, procedures, or processes to accommodate an individual's needs. Landlords must satisfy themselves that their policy sets out how they will respond to reasonable adjustments requests in line with the Equality Act and that complaints handlers have had appropriate training to deal with such requests.	Yes	Link to inclusive services register where customers have the opportunity to state what adjustments they require /included in training for investigating managers /included in Contact Centre scripts and in stage 1 acknowledgement of complaint
2.6	Landlords must publicise the complaints policy and process, the Complaint Handling Code and the Housing Ombudsman Scheme in leaflets, posters, newsletters, online and as part of regular correspondence with residents.	Yes	Communications plan agreed and links to Housing Ombudsman pages directly from SCH website.

2.7	Landlords must provide residents with contact information for the Ombudsman as part of its regular correspondence with residents.	Yes	Letters include HOS contact details Action: Acknowledgement letter to include HOS details & review of external comms required
2.8	Landlords must provide early advice to residents regarding their right to access the Housing Ombudsman Service throughout their complaint, not only when the landlord's complaints process is exhausted.	Yes	Included at all stages of complaint process and on SCH website Action: to include paragraph in all letters

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
2.2	Where a landlord has set up channels to communicate with its residents via social media, then it should expect to receive complaints via those channels. Policies should contain details of the steps that will be taken when a complaint is received via social media and how confidentiality and privacy will be maintained.	Yes	Customer Contact Team will pass any adverse comments received via social media to the Customer Feedback Team to identify whether request for service or a complaint should be logged. Customer Contact Team send a private message to person raising issues via social media to advise action taken.

Section 3 - Complaint handling personnel

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
3.1	Landlords must have a person or team assigned to take responsibility for complaint handling to ensure complaints receive the necessary attention, and that these are reported to the governing body. This Code will refer to that person or team as the "complaints officer".	Yes	Customer Feedback Team oversee the complaint handling and monitoring, including acknowledging complaints, carrying out monthly audits, working with engaged residents and carrying out investigations at Stage 2. Report also sits within this team
3.2	…the complaint handler appointed must have appropriate complaint handling skills and no conflicts of interest.	Yes	Training provided to all front-line teams No conflict due to declarations of interest.

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
3.3	Complaint handlers should: • be able to act sensitively and fairly • be trained to handle complaints and deal with distressed and upset residents • have access to staff at all levels to facilitate quick resolution of complaints • have the authority and autonomy to act to resolve disputes quickly and fairly.	Yes	Regular training provided for complaint investigators /support and guidance. Action: Provide training to new members of staff and develop Training for Learning Pool or face to face training

Section 4 - Complaint handling principles

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
4.1	Any decision to try and resolve a concern must be taken in agreement with the resident and a landlord's audit trail/records should be able to demonstrate this. Landlords must ensure that efforts to resolve a resident's concerns do not obstruct access to the complaints procedure or result in any unreasonable delay. It is not appropriate to have extra named stages (such as 'stage 0' or 'pre-complaint stage') as this causes unnecessary confusion for residents. When a complaint is made, it must be acknowledged and logged at stage one of the complaints procedure **within five days of receipt**.	Yes	SCH have a two stage complaints policy and complaints are acknowledged centrally by the Customer Feedback Team

4.2	Within the complaint acknowledgement, landlords must set out their understanding of the complaint and the outcomes the resident is seeking. If any aspect of the complaint is unclear, the resident must be asked for clarification and the full definition agreed between both parties.	Yes	Scripts have been changed to enable more information to be gathered at point complaint is made, including what outcome the customer is looking to achieve. Scripts are regularly reviewed
4.6	A complaint investigation must be conducted in an impartial manner.	Yes	The declarations of interest forms ensure all staff do not deal with anyone they have a personal relationship with
4.7	The complaint handler must: • deal with complaints on their merits√ • act independently and have an open mind√ • take measures to address any actual or perceived conflict of interest √ • consider all information and evidence carefully√ • keep the complaint confidential as far as possible, with information only disclosed if necessary to properly investigate the matter. √	Yes	Contractors not given access to our complaints systems. Our own staff are bound by rules of confidentiality. Regular reminders of need to respect confidentiality and need to be vigilant.
4.11	Landlords must adhere to any reasonable arrangements agreed with residents in terms of frequency and method of communication	Yes	This will be reinforced during ongoing training sessions delivered via Learning Pool and face to face. Even if preferred method is telephone /face to face we will have to send written response to complaints in line with code of guidance
4.12	The resident, and if applicable any staff member who is the subject of the complaint, must also be given a fair chance to: • set out their position • comment on any adverse findings before a final decision is made.	Yes	We would expect the IO to contact the staff member to discuss the allegations and to obtain a perspective from them. The staff member will be kept up to date with the final outcome and where required additional training and support will be provided.
4.13	A landlord must include in its complaints policy its timescales for a resident to request escalation of a complaint	Yes	Standard paragraph in letters
4.14	A landlord must not unreasonably refuse to escalate a complaint through all stages of the complaints process	Yes	Written response provided to requests for escalation of complaints

4.15	A full record must be kept of the complaint, any review and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the resident, correspondence with other parties and any reports or surveys prepared.	Yes	It is a requirement for all staff to keep audit trail of notes /correspondence – included in staff guidance and covered in front-line training. Action: consider where to add complaint info and reinforce with staff.
4.18	Landlords must have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives when pursuing a complaint.	Yes	Unreasonable behaviour policy re-viewed. Action: Needs to be adopted by ELT and launched with staff

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
4.3	Landlords should manage residents' expectations from the outset, being clear where a desired outcome is unreasonable or unrealistic	Yes	Script changes to capture desired outcomes at start of complaints process where raised via Contact Centre /if other channels used this is more complex. In all cases the investigating officer should seek to manage expectations
4.4	A complaint should be resolved at the earliest possible opportunity, having assessed what evidence is needed to fully consider the issues, what outcome would resolve the matter for the resident and whether there are any urgent actions required.	Yes	Contact Centre advisors will try to resolve issue for the customer at first point of contact Where urgent action is required to address an issue this can be put in place before complaint investigation concluded
4.5	Landlords should give residents the opportunity to have a representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the landlord where this is reasonable.	Yes	We have complaint advocates available if required or customer can use own advocate. Scripts ask customers if they require an advocate
4.8	Where a key issue of a complaint relates to the parties' legal obligations landlords should clearly set out their understanding of the obligations of both parties.	Yes	Where there is breach of tenancy or lease agreement we will provide that information.

4.9	Communication with the resident should not generally identify individual members of staff or contractors.	Yes	Only in the case where a named officer has been the subject of a complaint will the IO refer to them in the letter
4.10	Landlords should keep residents regularly updated about the progress of the investigation.	Yes	Reinforced via regular training
4.16	Landlords should seek feedback from residents in relation to the landlord's complaint handling as part of the drive to encourage a positive complaint and learning culture.	Yes	External contractor conducts satisfaction surveys
4.17	Landlords should recognise the impact that being complained about can have on future service delivery. Landlords should ensure that staff are supported and engaged in the complaints process, including the learning that can be gained	Yes	Managers reminded to support staff.
4.19	Any restrictions placed on a resident's contact due to unacceptable behaviour should be appropriate to their needs and should demonstrate regard for the provisions of the Equality Act 2010.	Yes	Unacceptable behaviour policy in place, no restrictions are generally placed upon a customer without following this policy. Action : Policy to be adopted by ELT

Section 5 - Complaint stages

Mandatory 'must' requirements

Stage 1

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.1	Landlords must respond to the complaint **within 10 working days** of the complaint being logged. Exceptionally, landlords may provide an explanation to the resident containing a clear timeframe for when the response will be received. This should not exceed a further 10 days without good reason.	Yes	Regular monitoring of performance against KPI and IO advised of the due date. Action: Re-introduce chasing of complaints
5.5	A complaint response must be sent to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue, are completed. Outstanding actions must still be tracked and actioned expeditiously with regular updates provided to the resident.	Yes	Template letters drafted to assist Repairs Teams to close complaints when investigation completed and advise customer of expected timescales for any outstanding works

5.6	Landlords must address all points raised in the complaint and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	**Yes**	This is reviewed by audits and complaint advocates. Included in training
5.8	Landlords must confirm the following in writing to the resident at the completion of stage one in clear, plain language: • the complaint stage • the decision on the complaint • the reasons for any decisions made • the details of any remedy offered to put things right • details of any outstanding actions • details of how to escalate the matter to stage two if the resident is not satisfied with the answer	**Yes**	This is picked up by complaint audits and we have provided advice/guidance on letter responses and templates.

Stage 2

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.9	If all or part of the complaint is not resolved to the resident's satisfaction at stage one it must be progressed to stage two of the landlord's procedure, unless an exclusion ground now applies. In instances where a landlord declines to escalate a complaint it must clearly communicate in writing its reasons for not escalating as well as the resident's right to approach the Ombudsman about its decision.	Yes	Written response sent to customers
5.10	On receipt of the escalation request, landlords must set out their understanding of issues outstanding and the outcomes the resident is seeking. If any aspect of the complaint is unclear, the resident must be asked for clarification and the full definition agreed between both parties.	Yes	Introduced a letter confirming what we believe to be the reasons for escalation and giving the customer time to respond.
5.11	Landlords must only escalate a complaint to stage two once it has completed stage one and at the request of the resident.	Yes	All stage 2 requests come via the Customer Feedback Team and are generally investigated within that team. Where they aren't investigated by the CFT, the investigating officer will be a senior member of staff

5.12	The person considering the complaint at stage two, must not be the same person that considered the complaint at stage one.	Yes	As above
5.13	Landlords must respond to the stage two complaint **<u>within 20 working days</u>** of the complaint being escalated. Exceptionally, landlords may provide an explanation to the resident containing a clear timeframe for when the response will be received. This should not exceed a further 10 days without good reason.	Yes	Aim to respond to all stage 2's within 20 working days. Rarely extend this but if we do we do that in consultation with customer.
5.16	Landlords must confirm the following in writing to the resident at the completion of stage two in clear, plain language: • the complaint stage • the complaint definition • the decision on the complaint • the reasons for any decisions made • the details of any remedy offered to put things right • details of any outstanding actions **and** • if the landlord has a third stage, details of how to escalate the matter to stage three • if this was the final stage, details of how to escalate the matter to the Housing Ombudsman Service if the resident remains dissatisfied.	Yes N/A	

Stage 3

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.17	Two stage landlord complaint procedures are ideal. This ensures that the complaint process is not unduly long. If landlords strongly believe a third stage is necessary, they must set out their reasons for this as part of their self-assessment. A process with more than three stages is not acceptable under any circumstances.	Yes	No Stage 3

5.20	Landlords must confirm the following in writing to the resident at the completion of stage three in clear, plain language: • the complaint stage • the complaint definition • the decision on the complaint • the reasons for any decisions made • the details of any remedy offered to put things right • details of any outstanding actions • details of how to escalate the matter to the Housing Ombudsman Service if the resident remains dissatisfied	N/A	

Best practice 'should' requirements

Stage 1

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.2	If an extension beyond 20 working days is required to enable the landlord to respond to the complaint fully, this should be agreed by both parties.	Yes	KPI 10 working days Action: reinforce with teams the complaint should not exceed 20 working days even with the extension
5.3	Where agreement over an extension period cannot be reached, landlords should provide the Housing Ombudsman's contact details so the resident can challenge the landlord's plan for responding and/or the proposed timeliness of a landlord's response.	Yes	Action: to reinforce this with training
5.4	Where the problem is a recurring issue, the landlord should consider any older reports as part of the background to the complaint if this will help to resolve the issue for the resident.	Yes	Action: Training should include that IO's particularly in MST review the works orders before responding and don't investigate complaint in isolation
5.7	Where residents raise additional complaints during the investigation, these should be incorporated into the stage one response if they are relevant and the stage one response has not been issued. Where the stage one response has been issued, or it would unreasonably delay the response, the complaint should be logged as a new complaint.	Yes	If new issues are raised during the stage one they may be raised as a separate complaint – in particular when not doing so would delay a response to the original complaint.

Stage 2

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.14	If an extension beyond 10 working days is required to enable the landlord to respond to the complaint fully, this should be agreed by both parties.	Yes	Evidenced via notes on Open
5.15	Where agreement over an extension period cannot be reached, landlords should provide the Housing Ombudsman's contact details so the resident can challenge the landlord's plan for responding and/or the proposed timeliness of a landlord's response	Yes	

Stage 3

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.18	Complaints should only go to a third stage if the resident has actively requested a third stage review of their complaint. Where a third stage is in place and has been requested, landlords must respond to the stage three complaint **within 20 working days** of the complaint being escalated. Additional time will only be justified if related to convening a panel. An explanation and a date for when the stage three response will be received should be provided to the resident.	Yes	N/A - no stage 3
5.19	Where agreement over an extension period cannot be reached, landlords should provide the Housing Ombudsman's contact details so the resident can challenge the landlord's plan for responding and/or the proposed timeliness of a landlord's response.	Yes	N/A – no stage 3

Section 6 - Putting things right

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
6.1	Effective dispute resolution requires a process designed to resolve complaints. Where something has gone wrong a landlord must acknowledge this and set out the actions it has already taken, or intends to take, to put things right.	Yes	Action: Need to reinforce within complaint training
6.2	Any remedy offered must reflect the extent of any service failures and the level of detriment caused to the resident as a result. A landlord must carefully manage the expectations of residents and not promise anything that cannot be delivered or would cause unfairness to other residents.	Yes	Complaints compensation policy Action: Policy to be adopted
6.5	The remedy offer must clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.	Yes	Action: consider ways of tracking repairs raised as part of a complaint resolution and ensure these are not cancelled without explanation to resident and are immediately rescheduled.
6.6	In awarding compensation, a landlord must consider whether any statutory payments are due, if any quantifiable losses have been incurred, the time and trouble a resident has been put to as well as any distress and inconvenience caused.	Yes	Compensation policy considers this

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
6.3	Landlords should look beyond the circumstances of the individual complaint and consider whether anything needs to be 'put right' in terms of process or systems to the benefit of all residents.	Yes	Desk top reviews and audits of complaint handling Learning from complaints
6.7	In some cases, a resident may have a legal entitlement to redress. The landlord should still offer a resolution where possible, obtaining legal advice as to how any offer of resolution should be worded.	Yes	Even where we know there is a legal resolution we would try to explain and resolve the issues

Section 7 - Continuous learning and improvement

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
7.2	Accountability and transparency are integral to a positive complaint handling culture. Landlords must report back on wider learning and improvements from complaints in their annual report and more frequently to their residents, staff and scrutiny panels.	Yes	There is some information in Annual Report & Equality Annual report. Residents – article in newsletter quarterly. Action: Develop capture of learning and publish on website and provide annual update to Scrutiny panel

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
7.3	A member of the governing body should be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This role will be responsible for ensuring the governing body receives regular information on complaints that provides insight to the governing body on the landlord's complaint handling performance.	Yes	Board Champion for Complaints appointed Action: Schedule quarterly meetings with Board Champion
7.4	As a minimum, governing bodies should receive: • Regular updates on the volume, categories and outcome of complaints, alongside complaint handling performance including compliance with the Ombudsman's orders • Regular reviews of issues and trends arising from complaint handling, • The annual performance report produced by the Ombudsman, where applicable • Individual complaint outcomes where necessary, including where the Ombudsman made findings of severe maladministration or referrals to regulatory bodies. The implementation of management responses should be tracked to ensure they are delivered to agreed timescales. The annual self-assessment against the Complaint Handling Code for scrutiny and challenge.	Yes	Housing Operations Committee and QMB receive some information within reports Any HOS determinations are shared with Chair of the Board and SMBC Monitoring Officer Action: Review reporting consider improvements to information sent to Board

7.5	Any themes or trends should be assessed by senior management to identify potential systemic issues, serious risks or policies and procedures that require revision. They should also be used to inform staff and contractor training.	Yes	Complaint categories reviewed
7.6	Landlords should have a standard objective in relation to complaint handling for all employees that reflects the need to: • have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments • take collective responsibility for any shortfalls identified through complaints rather than blaming others • act within the Professional Standards for engaging with complaints as set by the Chartered Institute of Housing.	Partial	Corporate objective to be included in PDR's for 2023 for all staff and bespoke objectives for other teams relevant to role e.g. for managers investigating complaints. Action PDR review required

Section 8 - Self-assessment and compliance

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
8.1	Landlords must carry out an annual self-assessment against the Code to ensure their complaint handling remains in line with its requirements.	Yes	This has been done Action: consider ways of publicising the annual self assessment for residents in an information way
8.2	Landlords must also carry out a self-assessment following a significant restructure and/or change in procedures.	Yes	Will be considered following any major restructure
8.3	Following each self-assessment, a landlord must: • report the outcome of their self-assessment to their governing body. In the case of local authorities, self-assessment outcomes should be reported to elected members • publish the outcome of their assessment on their website if they have one, or otherwise make accessible to residents • include the self-assessment in their annual report section on complaints handling performance	Yes	Action: Review information required for annual report Action: Review how the we provide information on self assessment in a format relevant to residents.

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Solihull Community Housing
Shaping our neighbourhoods

Board/Committee Meetings

2023

Audit & Risk | Building Safety T&F | QMB | Full Board/training/away days | Housing Operations | HR & Remuneration

July 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Sun	Mo	Tu	We	Th	Fr	Sa	Sun	Mon	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo
Audit and Risk																															
Building Safety T&F Grp																															

August 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th
QMB																															

September 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
Full Board																														
Housing Operations																														
Audit & Risk																														

October 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu
Board Away Day																															
Building Safety T&F																															
HR & Remuneration																															

November 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th
Housing Operations																														
QMB																														
Board Training																														
Full Board																														

December 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
Audit & Risk																															

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Board/Committee Meetings

2024

Audit & Risk | Building Safety T&F | QMB | Full Board/training/away days | Housing Operations | HR & R | Bank Holiday

January 2024	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We
Building Safety Committee																															

February 2024	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th
Housing Operations																													
Full Board																													

March 2024	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
Audit & Risk Committee																															
HR & Remuneration																															

April 2024	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu
Building Safety Committee																														

May 2024	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr
*Housing Operations																															
*Full Board																															

June 2024	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Sun	Mo	Tu	We	Th	Fr	Sa	Sun	Mon	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
Board Training																														

* Provisional date subject to SMBC's schedule of meetings for 2024/25

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Solihull Community Housing
Shaping our neighbourhoods

Board
Forward Plan

Monday 4 September 2023		
Brought forward from:	**Agenda Item**	**Owner**
	SCH Standing Orders/Governance Review	Martyn Sargeant
	Regulatory Compliance Update	Martyn Sargeant
	Quarter 1 2023/24 Performance Exception Report	Martyn Sargeant
	Quarter 1 2023/24 Health and Safety Report	Mark Wills
	Financial Outturn 2022/23	Sam Gilbert
	Quarter 1 2023/24 Financial Monitoring & Forecast (June 2023) - Update actions undertaken to address budget pressures	Sam Gilbert
	Budget 2024/27	Sam Gilbert
	Annual Corporate Risk Register review	Martyn Sargeant/ Mark Wills
	Chair's Report from Audit and Risk Committee on 3 July 2023 (including signing of accounts)	Mark Thrasher
	Chair's Report from Building Safety Task and Finish Group 10 July 2023	Richard Hyde
	Annual Review against Code of Governance for Complaints	Becci Youlden
Monday 20 November 2023 AGM		
Brought forward from:	**Agenda Item**	**Owner**
	Quarter 2 2023/24 Performance Exception Report	Martyn Sargeant
	Quarter 2 2023/24 Health and Safety Report	Mark Wills
	Quarter 2 2023/24 Financial Monitoring	Sam Gilbert
	Chair's Report from Housing Operations Committee on 18 September 2023 and 6 November 2023	Phil Hardy
	Chair's Report from Audit and Risk Committee 25 September 2023	Mark Thrasher
	Chair's Report from Building Safety Task and Finish Group 9 October 2023	Richard Hyde
	Chair's Report from Human Resources, Equalities and Remuneration Committee on 16 October 2023	TBA
	Draft Delivery Plan 2024	Martyn Sargeant
	HRA Budget 2024/25	Sam Gilbert
	Annual Review of Compliance against NHF Code of Governance	Martyn Sargeant
Monday 19 February 2024		
Brought	**Agenda Item**	**Owner**

forward from:		

Regular Items (every meeting):

- Minutes of Previous Meeting
- Action Log
- Declarations of Interest
- Minutes from Committee Meetings

Quarterly Reports:

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

29/08/23