

**JRHT BOARD**

**Tuesday 3 October 2023**

**Hilton Euston hotel, London**

<b>Present</b>	Terrie Alafat (Chair) Alistair Brown Dan Gray Paul Jenkins David Lunts Gillian Russell (from item 4) Dan Ryan	TA AB DG PJ DL GR DR
<b>In attendance</b>	Paul Kissack Chris Simpson Tracey Preece Stuart Coe Christine Frame Carol Tannahill (JRF Trustee, to item 5) Matt Lewer (from item 9, via Zoom) Chris Welch (from item 9, via Zoom) Fiona Fischbach (from item 9, via Zoom)	PK CS TP SC CF CT ML CW FF
<b>Minutes</b>	Stephen Lynch	SL
<b>Apologies</b>	Angela Lockwood	AL

<b>Agenda Item Comments</b>	<b>Presenter</b>	<b>Action</b>
<b>1 Introductions, apologies and welcome</b>	<b>TA</b>	
TA welcomed all to the meeting.		
<b>2 Minutes and actions from the previous meeting</b>	<b>TA</b>	
CS noted that minutes from the off-cycle meeting regarding the Rent Standard breach had been added to the pack. CS updated on progress of incomplete actions.		

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<p>In response to a question about compliance actions, CS said that the annual review of compliance was brought to the March meeting, and again in June following challenge on some assessments. CS noted the input from TA and GR on this approach and thanked them for their suggestions. Traction is being gained via an action tracker, and all actions are on track for completion by the end of the year. Priority has been placed on actions from the sector risk assessment. Progress is brought to the monthly executive meeting and the Chair will receive updates between meetings.</p>		
<p><b>Outcome:</b> The minutes from the quarterly meeting held on Tuesday 6 June 2023 and from the meeting held on 21 July 2023 on the Rent Standard breach were <b>approved</b> for signature by the Chair.</p> <p>Board noted progress of actions.</p>		
<p><b>3 Chair's introduction</b></p>	<p>TA</p>	
<p>TA thanked Board members for taking the time for one-to-one discussions. A common theme raised was the need for the Board to take time to reflect on the organisation's aims and objectives. Questions were also raised about understanding the relationship with JRF and how the board ensures it spends time on key priorities.</p>		
<p><b>Outcome:</b> The register was <b>noted</b>.</p>		
<p>GR joined at this point.</p>		
<p><b>4 JRHT Core Purpose and Priorities</b></p>	<p>TA / CS</p>	
<p>Board held a discussion on core purpose and priorities.</p>		
<p><b>Outcome:</b> The item was <b>discussed</b>, and a first iteration of the core purpose will be brought to the next meeting.</p>		
<p><b>5 JRHT Care Strategy</b></p>	<p>DR / CS</p>	
<p>Board discussed Care Services strategy.</p>		
<p><b>Outcome:</b> Care strategy was <b>discussed</b>.</p>		
<p><b>6 Chair's roundup</b></p>	<p>TA</p>	
<p>TA summarised the previous two discussions.</p>		
<p><b>7 CEO report</b></p>	<p>PK</p>	
<p>PK noted the Nominations &amp; Governance Committee (NGC) decision to close Resources Committee and return delegated responsibilities to JRF Trustees and JRHT Board. NGC also decided to retain the Group-wide Audit &amp; Risk Committee (ARC), with more structured agendas to ensure clarity of items related to JRHT and JRF. ARC may also want to invite JRHT Board members to join meetings for discussion of matters of interest</p>		

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or expertise. The option of separate audit committees for JRHT and JRF remains open in future.		
<b>Outcome:</b> The report was <b>noted</b> .		
CF and SL left at this point.		
<b>8 Pay process 2024 (item 10 on the agenda)</b>	<b>PK / CS</b>	
<b>Outcome:</b> Board discussed the process for approving the 2024 pay award.		
DL left; FF, CW, ML & DBW joined; and CF and SL rejoined at this point.		
<b>9 JRHT Executive Director (item 8 on the agenda)</b>	<b>CS</b>	
<p>CS updated on a serious incident at Hartrigg Oaks.</p> <p>CS reported on key issues in the report, including:</p> <ul style="list-style-type: none"> <li>• Investigations on rents and service charges.</li> <li>• A case of asbestos found in an empty property. An internal investigation has been launched on this.</li> <li>• Completion of fire risk assessment actions.</li> <li>• A maladministration finding from the Housing Ombudsman following a maintenance complaint. This judgement has been accepted and an action plan agreed.</li> <li>• Recruitment to senior posts. The jobs are out to advert and appointments will be made by early December.</li> <li>• Reinforced Autoclaved Aerated Concrete (RAAC). CW updated on desktop assessments of all properties. Most properties have been ruled out from containing any of this substance. It is expected that the list of possible sites will be very small, and these will be checked with on-site surveys. A newly appointed surveyor has experience with this substance.</li> </ul>		
<b>Outcome:</b> The report was <b>noted</b> .		
<b>9.1 JRHT Performance Dashboard - August 2023 (item 8.1 on the agenda)</b>	<b>CS</b>	
<b>Outcome:</b> The dashboard was noted.		
<b>9.2 Rent and Service Charge review (item 8.2 on the agenda)</b>	<b>CS</b>	
<p>FF updated on progress of the review. There is a feeling that issues related to Plaxton Court will be resolved by the end of this month.</p> <p>An update to the Regulator of Social Housing was provided by 20 September and their decision is awaited.</p>		

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<p>The bulk of work at present relates to the application of Fair Rents. Legal advice on this is that a likely course of action will be to ask for dispensation from the regulator due to the time periods in question. There was a discussion on the possible scale of this issue and what would happen if there was challenge to this approach. FF noted that registering Fair Rents would in many cases increase rent for residents. The regulator will be asked for their view.</p> <p>There has also been a full desktop review of all tenancies to check for any further issues. From this, 4 tenancies were identified as potentially applied incorrectly, and this is now down to 2 following further work.</p> <p>BDO will undertake an audit on rents next month.</p> <p>There is one further issue identified at one site around building insurance charges that appear to have been in excess of the actual cost of insurance. Legal advice is that repayments for up to 6 years' worth of overcharge would be considered reasonable. FF will find out what the cost would be for total repayments across all years overcharged. A decision on this will be taken off-cycle. It was noted that funding from JRF for this would likely be requested for this.</p> <p>There was a discussion about ensuring better oversight and lessons learned.</p>		<p>FF CS</p>
<p><b>Outcome:</b> The report was <b>noted</b>.</p>		
<p><b>9.3 Health &amp; Safety update (item 8.3 on the agenda)</b></p>	<p><b>CS</b></p>	
<p><b>Outcome:</b> The report was <b>noted</b>.</p>		
<p><b>9.4 Fire risk assessment actions (item 8.4 on the agenda)</b></p>	<p><b>CS</b></p>	
<p>CS updated on positive progress following the new approach to actions. Electrical testing had been discussed at the most recent Audit &amp; Risk Committee meeting following an internal audit. Actions on the recommendation in that report will be undertaken.</p>		
<p><b>Outcome:</b> The report was <b>noted</b>.</p>		
<p><b>9.5 Tenant feedback and satisfaction (item 8.5 on the agenda)</b></p>	<p><b>CS</b></p>	
<p>Full results of the recent Tenant Satisfaction survey will be brought to the December meeting.</p> <p>ML highlighted requirements under the Regulator of Social Housing's Tenant Satisfaction Measures Standard. The are 22 measures, 10 of which are data routinely collected by the organisation, such as on compliance, health &amp; safety and complaints. The rest of the measures are collected through perception surveys. JRHT, like many other providers, is collecting this via a one-off survey, sent to all rental and shared ownership homes. This does not include care residents. Service Insights have been</p>		

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<p>commissioned to carry out the survey and the initial response has returned 600 returns.</p> <p>There is also increasing scrutiny from the Housing Ombudsman on complaints and compliments. There has not been a significant increase in complaints, but they are increasingly complex. Work is ongoing on using feedback and learning lessons. Performance has declined during the quarter due to the complaints officer leaving the organisation and interim arrangements being put in place. Performance has improved this month following training across the organisation, but it is expected that recruitment of a new dedicated complaints officer will need to be completed before performance returns to a high level. That role is out to advert, and the job description has been strengthened. The new housing system will help with management of complaints.</p>		
<p><b>Outcome:</b> The report was <b>noted</b>.</p>		
<p><b>9.6 JRHT Risk Report (item 8.6 on the agenda)</b></p>	<p><b>CS</b></p>	
<p><b>Outcome:</b> The report was <b>noted</b>.</p>		
<p><b>10 Finance (item 9 on the agenda)</b></p>		
<p><b>10.1 Finance report (item 9.1 on the agenda)</b></p>	<p><b>TP</b></p>	
<p>TP presented the report, noting that a small surplus is projected. Risks to the surplus around care staffing and voids remain. Forecasts to improve occupancy are prudent, but if voids remained at present levels it would have an impact of around £180k.</p> <p>The risk to the surplus of not completing the Lamel Beeches sale has been decreased due to better-than-expected Hartrigg Oaks bungalow sales and increased receipts from DWH overages.</p> <p>The bank covenants are projected to be met.</p> <p>General needs housing margin is not on budget, but this has long been expected due to increased repairs work following damp &amp; mould communications. Work is ongoing to help teams capitalise the right items of spend at the right time and on paying the correct level of VAT.</p> <p>The cost of the proposed stock condition survey could be accounted in part in both 2023 and 2024.</p> <p>The previously suggested plan to consolidate loans with Orchardbrook no longer has benefit so will not now be pursued.</p> <p>There were discussions on:</p> <ul style="list-style-type: none"> <li>• Bad debt. TP said this is not as significant an issue as previously thought.</li> <li>• Financial plan triggers. It was noted that RPI inflation rate in August is higher than the 2024 assumption plan and is therefore above the trigger level. However, it is forecast to fall beneath the trigger by 2024.</li> </ul>		

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<ul style="list-style-type: none"> <li>• Cost per unit in general needs housing. It was suggested that items over those delivered by other providers could be listed and detailed to enable understanding of added costs.</li> <li>• Commercial activities in deficit. TP said that the issue is primarily to do with the impact of the pandemic on catering.</li> </ul>		
<p><b>Outcome:</b> The report was <b>noted</b>.</p>		
<p><b>10.2 First look at JRHT Budget 2024 (item 9.1 on the agenda)</b></p>	<p><b>TP</b></p>	
<p>TP presented the assumptions and process for the 2024 budget. There will be a board budget scrutiny session held in November. TP noted assumptions around:</p> <ul style="list-style-type: none"> <li>• 30-year plan.</li> <li>• Care occupancy, which assumed to be generally in line with this year.</li> <li>• Shared ownership rents.</li> <li>• Care fees.</li> <li>• Financial sustainability.</li> </ul> <p>There were discussions on:</p> <ul style="list-style-type: none"> <li>• The need to stress-test assumptions on the Government rent cap and plan for alternative scenarios.</li> <li>• Benefits from Empower 24.</li> <li>• Effect of Central Services review. TP said that leadership changes are factored in, and the commitment to keeping this cost neutral has been met. Other changes haven't been factored in. It was suggested that targets for this be set for the second half of the year.</li> <li>• Shared ownership rent levels and understanding what the costs would be to lowering any annual increase.</li> <li>• Reliance on asset sales. DBW updated that the freehold purchase of Dower Court has been completed. TP said there remains a reliance and the issue may be around Hartrigg Oaks bungalow sales.</li> <li>• Hartrigg Oaks financial model. The slides from the Audit &amp; Risk Committee deep dive on Hartrigg Oaks finances will be re-circulated to Board.</li> <li>• Care occupancy. There was a discussion on whether assumptions are optimistic. It was suggested that a total number is targeted with contingency to share across the budget.</li> </ul>		<p><b>TP</b></p>
<p><b>Outcome:</b> The First look at JRHT Budget 2024 was <b>discussed</b>. The Board will meet on 6 November for a dedicated budget scrutiny session.</p>		
<p><b>11 Asset Management strategy update</b></p>	<p><b>CS / FF</b></p>	

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<p>An internal audit on asset management and a report from Savills informs work towards a new Asset Management Strategy and Improvement Plan. The internal audit was discussed at Audit &amp; Risk Committee (ARC).</p> <p>The report focuses on data quality and recommends the undertaking of a full stock condition survey in 2023. The costs can be split between 2023 and 2024 budgets.</p> <p>There is a risk that the surveys will uncover a huge number of repairs required at one time, but it is believed to be better to work from a position of knowledge.</p> <p>The tender for the work has resulted in a lower quote than estimated.</p> <p>Four options were presented to the Board: - continue with 20% surveys per year, increase sample to 50% per year, carry out a 100% survey, and carry out a full survey and include Energy Performance Certificate (EPC) data.</p> <p>The recommendation was to undertake a full survey including EPC data. Among the benefits are that updating EPC data removes the need to do this work later and the information will support a robust approach to retrofitting properties and enable application for grant funding when available. ARC discussed this at their September meeting and recommend this option.</p> <p>There were discussions on:</p> <ul style="list-style-type: none"> <li>• How typical it is for providers to do a full stock condition survey. CS said assurance had been received that others have undertaken outsourced full surveys, including through an ARC independent member that works for another housing association that have undertaken this.</li> <li>• Repairs planning</li> <li>• Acknowledgment that resulting repairs may need JRF funding support, and that for an organisation without access to the kind of endowment JRHT can call on, a different decision would be likely, particularly as the repairs cost is not known.</li> <li>• Long term plan for updating the data. CS said that a vacant post has been filled recently of data analyst and they will drive the system and lead a data management project to make sure of standards for the future. CS will bring back plans on updating data in future years.</li> <li>• Assurance on the quality of the external partner given the proposal is to go with the least expensive bid, and the cost is lower than expected. CW said that a meeting has been held with the bidder and they were questioned about their bid. The proposed methodology matched expectations, the firm will conduct their own quality checks and a data sample will be kept in a holding area for JRHT to check as the work progresses. The firm met expectations in the areas to be explored including on EPC data.</li> <li>• The option of undertaking a full survey excluding EPC data. It was agreed that it would be more cost effective over the long run to combine with EPC data, and it could result in better outcomes for</li> </ul>		<p><b>CS</b></p>

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<p>residents, driving a strong asset plan and providing a leg up in retrofitting homes and lowering energy bills. CW noted that the latest round of the Social Housing Decarbonisation Fund had been announced that morning. Having EPC data could enable a bid for grant funding through this.</p> <ul style="list-style-type: none"> <li>• Splitting survey costs over 2023 and 2024, which will help to manage costs.</li> <li>• Link to conversation on core purpose.</li> <li>• Conversation with JRF. PK will provide an update to JRF Trustees on legacy issues at its December meeting.</li> </ul>		PK
<p><b>Outcome:</b> Board <b>discussed</b> the Asset Management Strategy update and <b>approved</b> the undertaking of Stock Condition Surveys and EPC surveys at 2167 properties where we have full or shared repairs responsibility.</p>		
<p><b>12 Derwenthorpe heating</b></p>	DBW	
<p>The report was noted. A sub-group will be established to look at this issue in detail and make a recommendation on next steps. AB and DG volunteered to join the sub-group.</p>		CS
<p><b>Outcome:</b> Board <b>agreed</b> to establish a sub-group to consider this matter in detail.</p>		
<p><b>13 Housing Ombudsman – Recent adjudications and review of Complaint Handling Code</b></p>	ML	
<p><b>Outcome:</b> The report was noted and further discussion will be held at the next meeting.</p>		CS
<p><b>14 Audit</b></p>		
<p><b>14.1 Report from ARC on matters for JRHT</b></p>	SC	
<p><b>Outcome:</b> The report was noted</p>		
<p><b>14.2 Internal Audit programme 2024</b></p>	SC	
<p>There was a discussion on the JRHT elements of the proposed internal audit programme for 2024.</p> <p>It was noted that occupancy management will be looked at in a deep dive at the next Audit &amp; Risk Committee meeting.</p> <p>FF will discuss with BDO where responsive repairs fit into the programme.</p> <p>Any further comments or requests can be submitted before the Audit &amp; Risk Committee approve the final version of the programme in November.</p>		FF
<p><b>Outcome:</b> Board <b>discussed</b> and fed back on the proposed internal audit programme for 2024. Further feedback was welcomed ahead of Audit &amp; Risk Committee approving at its meeting on 23 November.</p>		



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<b>15 Governance</b>	<b>CS</b>	
CS updated on bids received from the tender to support the board effectiveness process.		
<b>Outcome:</b> The report was <b>noted</b> .		
<b>16 Any other business</b>	<b>TA</b>	
CF said that the online voting part of this meeting will be published on Convene in the next few days. PJ commented that the quality of papers was of high quality and thanked CS and the team for pulling them together.		
<b>17 Date of next meeting</b>	<b>TA</b>	
The dates of the next meetings were confirmed as: Budget scrutiny session: - Monday 6 November at 09.30 via Zoom Quarterly meeting: - Monday 11 December at 09.00 via Zoom		
<b>Signed</b> <b>(Chair)</b>		
<b>Date</b>		