



Wolverhampton Homes

Open Board Meeting

10 December 2021

Time 9.30 am **Public Meeting?** YES **Type of meeting** Wolverhampton Homes

Venue Novotel Hotel, Union Street, Wolverhampton, WV1 3JN /
Virtual meeting via Microsoft Teams (Optional)

Membership

Derek Allen
Councillor Paul Appleby
Parveen Brigue
Victor Browne
Angela Davies
Hajrija Dergic
Steve Finegan
Councillor Asha Mattu
Joy McLaren
Mike Porter
Councillor Rita Potter
Councillor Zee Russell

Information

If you have any queries about this meeting, please contact:

Contact The Business Assurance Team
Tel/Email 01902 552956; WHSBusinessAssurance@wolverhamptonhomes.org.uk
Address Novotel Hotel, Union Street, Wolverhampton, WV1 3JN

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Agenda

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|--|
| 1 | Apologies |
| 2 | Declarations of interest |
| 3 | Minutes of previous Meetings (Annual General Meeting and Open Board Meeting) - 03 September 2021 (Pages 3 - 18) |
| 4 | Matters arising |

FOR INFORMATION

- | | |
|---|---|
| 5 | Quarter Two Revenue Forecast for 2021 - 2022 - Jo McCoy, Head of Financial Management, City of Wolverhampton Council (Pages 19 - 24) |
| 6 | Improvements to the fire safety management arrangements - Simon Bamfield, Head of Assets and Stock Investment (Pages 25 - 32) |

M INUTES



Meeting: Wolverhampton Homes Annual General Meeting
Date: Friday 03 September 2021
Venue: The Mount Hotel, Mount Road, Tettenhall Wood, Wolverhampton, WV6 8HL
Time: 9:30 am

MEMBERS IN ATTENDANCE:-

Angela Davies	-	Chair – Tenant Board Member
Steve Finegan	-	Vice Chair – Independent Board Member
Joy McLaren	-	Tenant
Derek Allen	-	Independent (virtual attendance)
Hajrija Dergic	-	Independent
Parveen Brigue	-	Independent
Councillor Asha Mattu	-	Councillor
Councillor Paul Appleby	-	Councillor
Councillor Rita Potter	-	Councillor
Councillor Zareena Russell	-	Councillor

STAFF IN ATTENDANCE:-

Shaun Aldis	-	Chief Executive
Julie Haydon	-	Assistant Director – Corporate Services (Company Secretary)
Angela Barnes	-	Assistant Director – Housing Options
Darren Baggs	-	Assistant Director – Housing
Ian Gardner	-	Assistant Director – Property
Kevin Manning	-	Assistant Director – Strategic Management
Nicky Devey	-	Head of Business Services
Maya Dhanda	-	Governance Officer

STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL (CWC):-

Ross Cook	-	Director of City Housing and Environment
Jo McCoy	-	Head Director of City Housing and Environment

EXTERNAL AUDITORS IN ATTENDANCE: -

Neil Preece	-	Grant Thornton, External Audit Partner (virtual attendance)
Bill Devitt	-	Grant Thornton, External Audit Partner (virtual attendance)

OBSERVERS IN ATTENDANCE: -

- | | | |
|---------------|---|--|
| Colin Bolshaw | - | Leaseholder |
| Andrew Bryant | - | Anti-Social Behaviour Team Leader,
Wolverhampton Homes |
| Lynda Eyton | - | Client Relationship Manager – Housing
Management Agents, City of Wolverhampton
Council |
| Melissa Green | - | Client Relationship Manager – Housing Managing
Agents, City of Wolverhampton Council |

1.0	Apologies	
1.1	<ul style="list-style-type: none"> - Mike Porter – Tenant Member - Victor Browne – Tenant Member 	
2.0	Declaration of Interest	
2.1	<ul style="list-style-type: none"> - Angela Davies – Tenant Member - Joy McLaren – Tenant Member <p>Noted: No specific conflict of interest identified.</p>	
3.0	WH – welcome and introduction	
3.1	Board members were notified of the attendees and observers present.	
4.0	City of Wolverhampton Council – Shareholder Update – Ross Cook, Director of City Housing and Environment	
4.1	<p>Information was shared by the Shareholder regarding the continued positive joint working arrangements between Wolverhampton Homes (WH) and the City of Wolverhampton Council (CWC). Noted areas shared as follows:</p> <ul style="list-style-type: none"> - The management agreement break clause scheduled for 2023 offers the opportunity for CWC to review the arrangements in place with Wolverhampton Homes. Written confirmation was provided during August 2021, that the intention is to continue the shareholder / ALMO relationship with Wolverhampton Homes, until at least 2028 in line with the current management agreement. - Through key areas of focus CWC and WH will ensure a continued approach to sustainability while embedding new ways of working that meet customer needs. The Social Housing sector is facing significant challenges in relation to new and emerging regulation, for example, implementing the reforms of the Social Housing White Paper and ensuring that WH is aligned to, and compliments, the activities of the council. 	

<p>4.2</p>	<ul style="list-style-type: none"> - In order to transform customer experience, social housing landlords will need to identify and meet customer needs and expectations through the modernisation of services, accommodation rationalisation, and new ways of working. - To operate efficiently WH must continue to understand the wider social demographic context and the impact of this upon customers. It is imperative that work is done to innovate and work in new ways that will make a meaningful difference to customers. <p>Further details were shared on the specific priorities that will continue throughout the coming 12 months:</p> <ul style="list-style-type: none"> - <u>Homelessness solutions</u> – work continues to review city wide provision to ensure that the council is in a position to facilitate a holistic approach to those who face homelessness, and for those entrenched in rough sleeping. There is consideration of a city provision, following the positive impact of how Redwings accommodation was utilised during the pandemic, to maximise opportunities arising from the multi-agency partnership approach to improve access to services for those facing this situation. - <u>Safe and healthy homes</u> – the delivery of the Capital Programme which continues to improve the homes our customers live in and providing assurance that their homes meet the requirements against the increasing regulatory demands. - <u>Fire Safety improvements</u> and delivery of the Building Safety bill through the implementation of a fire safety regime to redefine fire safety for staff and customers. This programme of work continues to gain momentum following the impact of Covid-19. The work to retrofit sprinklers has been welcomed by customers and councillors and provides assurance that we are taking our responsibilities seriously. - <u>Estate Redevelopment</u> – the visible transformation of Heath Town has been a long hoped for and much wanted improvement not only to the homes in the area, but to the benefit of the community by way of providing wider improvements to the estate. - <u>More and better homes</u> – the last year saw Wolverhampton Homes acquire 19 properties purchased from WV Living, supporting the increase to the housing offer across the city. Wolverhampton Homes have also taken on a lead role in letting the homes registered under the Help to Own scheme. - <u>Domestic Violence</u> – Wolverhampton Homes continue to work towards the Domestic Violence accreditation which is hoped to be in place during this financial year. - <u>Housing Allocations Policy</u> – the new Housing Allocations policy is in place and will go live at the end of September 2021 – again WH have been integral to this being launched with 	
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	<p>much input from the Housing Solutions and System Development teams at WH to ensure this is fit for purpose, and that the technology is in place to be able to deliver this.</p> <ul style="list-style-type: none"> - <u>Home Improvement Agency</u> – the new Housing Assistance policy was launched earlier this year and WH are delivering this work under the banner of the Home Improvement Agency – with more flexibility now available to utilise the grant process to ensure people are supported to live independently for longer in their own homes. - <u>Lessons learned from Covid-19</u> – the challenges faced by the company during the pandemic, in continuing to deliver critical services to customers, particularly in relation to repairs and housing management, has provided key lessons in responding to disruptive challenge while keep customers safe and secure. - <u>Customer contact and access</u> – this is key to how we deliver services going forward, not only in relation to meeting customer needs and expectations, but also in using this as a platform to modernise services across the council and Wolverhampton Homes. Our customers quite rightly expect more from us, the regulator expects us to hear the customer voice and this is such an important factor in delivering services to our customers that provide an end to end customer journey that is one we can all be proud of. - <u>Digital Agenda</u> – embracing technology to ensure WH has an offer that is easy to use an intuitive for customers and that provides accessibility to all, whether that be via online services or out in the community. - <u>Regulatory challenges</u> - it is by continuing the positive working relationship between the council and the ALMO that sets us in good stead to be able to work together to improve the lives and homes of our customers for many years to come. 	
5.0	Minutes of previous Annual General Meeting – 18 September 2020	
5.1	The minutes of the previous Annual General Meeting – 18 September 2020 were agreed as a true record.	
6.0	Matters arising	
6.1	There were no matters arising.	
External Audit Items		
7.0	Audit Findings Report 2020 - 2021 – Neil Preece and Bill Devitt, Grant Thornton External Audit	
7.1	Board members were provided with an overview of the financial statements for year ended 31 March 2021.	

7.2	It was confirmed that the audit opinion will be unqualified, with a material uncertainty on the value of WH's investment property. Final information is also awaited on the West Midlands pension scheme in order to finalise the accounts.	
For Decision		
8.0	<p>Annual Strategic Financial Arrangements – Julie Haydon, Company Secretary</p> <p>8.1 Board members were provided with details on a number of areas as follows in relation to the:</p> <ul style="list-style-type: none"> - Draft Financial Statements for the year ended 31 March 2021 - Wolverhampton Homes Letter of Representation 2020 - 2021 - Letter of Going Concern – September 2021 - Letter of Support – City of Wolverhampton Council – August 2021 <p>Board Members approved the:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2020 - 2021 2. Wolverhampton Homes (WH) Letter of Representation <p>The Shareholder ratified the following decisions and documents:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2020 - 2021 2. Letter of Representation 3. Letter of Going Concern 4. Letter of Support – City of Wolverhampton Council 5. Confirmation of the appointment of Grant Thornton as the ongoing external auditors for the period to March 2023 	
9.0	<p>Governance Arrangements and Articles of Association – Julie Haydon, Company Secretary</p> <p>9.1 Board members were appraised of the work undertaken to review the company's Articles of Association which have been revised and updated. The amendments noted include, but is not limited to, the removal of gender specific references, removal of reference to the Memorandum of Articles, the updated quorum requirements and the provision for virtual meetings to be held.</p> <p>Resolved: Board members and the Shareholder agreed the:</p> <ol style="list-style-type: none"> 1. revised Articles of Association at appendix 1 <p>Board members agreed the:</p> <ol style="list-style-type: none"> 2. updated Terms of Reference in line with the Wolverhampton Homes Governance Structure: <ul style="list-style-type: none"> • Board • Audit and Business Assurance Committee • Communities and Service Delivery Committee 	

	<p>Board members noted: 3. the company's ongoing Governance arrangements</p>	
10.0	<p>Confirmation of Board Membership – Nicky Devey, Head of Business Services</p>	
10.1	<p>Board members and the Shareholder representative were provided with confirmation of Board member changes that have occurred since the last Annual General Meeting held in September 2020, which were as follows:</p> <ul style="list-style-type: none"> - Councillor Lynne Moran – left WH Board in May 2021 - Councillor Paul Singh - left WH Board in May 2021 - Councillor Asha Mattu – nominated and appointed following the elections in May 2021 - Councillor Paul Appleby – nominated and appointed May 2021 	
10.2	<p>The Shareholder was asked to confirm that membership of the Board, following today's Annual General Meeting shall be:</p> <p><u>Councillor Board Members</u> Councillor Asha Mattu Councillor Paul Appleby Councillor Rita Potter Councillor Zareena Russell</p> <p><u>Tenant Board Members</u> Angela Davies Joy McLaren Michael Porter Victor Browne</p> <p><u>Independent Board Members</u> Derek Allen Hajrija Dergic Parveen Brigue Steve Finegan</p> <p>Resolved: Ross Cook, on behalf of the shareholder confirmed the membership of the Board as detailed in this report</p>	
11.0	<p>Electing the Chair – Nicky Devey, Head of Business Services</p>	
11.1	<p>Angela Davies, Tenant member confirmed her expression of interest in continuing the role of Chair of the Board.</p>	
11.2	<p>This was formally proposed by Councillor Rita Potter and seconded by Councillor Paul Appleby.</p>	

	Resolved: Angela Davies is confirmed as Chair of Wolverhampton Homes Board for 2021 - 2022	
12.0	Electing the Vice Chair – Nicky Devey, Head of Business Services	
12.1	Steve Finegan confirmed his expression of interest in continuing in the role of Vice Chair of the Board.	
12.2	This was formally proposed by Councillor Rita Potter and seconded by Councillor Zee Russell.	
	Resolved: Steve Finegan is confirmed as Vice Chair of Wolverhampton Homes Board for 2021 - 2022	
13.0	Electing the Committee Chairs and Vice Chairs – Nicky Devey, Head of Business Services	
13.1	Electing the Chair of Wolverhampton Homes Audit and Business Assurance Committee	
13.1.2	Steve Finegan, Independent member, confirmed an expression of interest in continuing in the role of Chair of the Audit and Business Assurance Committee.	
13.1.3	This was formally proposed by Parveen Brigue, Independent member and Councillor Zee Russell.	
	Resolved: Steve Finegan confirmed as Chair of the Audit and Business Assurance Committee for 2021 - 2022	
13.2	Electing the Vice Chair of Wolverhampton Homes Audit and Business Assurance Committee	
13.2.1	Angela Davies, Tenant member confirmed an expression of interest in continuing in the role of Vice Chair of the Audit and Business Assurance Committee.	
13.2.2	This was formally proposed by Joy McLaren, Tenant member and seconded by Councillor Asha Mattu.	
	Resolved: Angela Davies confirmed as Vice Chair of Audit and Business Assurance Committee for 2021 - 2022	
13.3	Electing the Chair of Wolverhampton Homes Communities and Service Delivery Committee	
13.3.1	Joy McLaren, Tenant member confirmed an expression of interest in	

<p>13.3.2</p> <p>13.4</p> <p>13.4.1</p> <p>13.4.2</p>	<p>continuing in the role of Chair of the Communities and Service Delivery Committee.</p> <p>This was formally proposed by Councillor Rita Potter and seconded by Councillor Zareena Russell.</p> <p>Resolved: Joy Maclaren confirmed as Chair of Communities and Service Delivery Committee for 2021 - 2022</p> <p>Electing the Vice Chair of Wolverhampton Homes Communities and Service Delivery Committee</p> <p>Derek Allen, Independent member confirmed his expression of interest in continuing in the role of Vice Chair of the Communities and Service Delivery Committee.</p> <p>This was formally proposed by Councillor Zee Russell and seconded by Councillor Asha Mattu.</p> <p>Resolved: Derek Allen confirmed as Vice Chair of Communities and Service Delivery Committee for 2021 - 2022</p>	
<p>14.0</p> <p>14.1</p>	<p>Confirmation of Board Champions</p> <p>Ross Cook, on behalf of the Shareholder was asked to confirm that membership of the Board, detailed as follows:</p> <ul style="list-style-type: none"> - Customer Services: <ul style="list-style-type: none"> o Mike Porter - Tenant member - Equality, Diversity and Inclusion: <ul style="list-style-type: none"> o Joy McLaren - Tenant member - Health & Safety: <ul style="list-style-type: none"> o Victor Browne - Tenant member - Safeguarding & Domestic Violence: <ul style="list-style-type: none"> o Councillor Zareena Russell o Deputy – Councillor Asha Mattu - Carbon Reduction: <ul style="list-style-type: none"> o Hajrija Dergic - Independent member <p>Resolved: Ross Cook on behalf of the Shareholder confirmed the Board champions as detailed.</p>	

15.0	Any other business	
15.1	No items of any other business were raised.	
16.0	Date of next Annual General Meeting	
16.1	September 2022 - date to be confirmed.	

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Meeting: Open Board Meeting
Date: Friday 03 September 2021
Venue: The Mount Hotel, Mount Road, Tettenhall Wood, Wolverhampton, WV6 8HL
Time: 10:30 am

MEMBERS IN ATTENDANCE: -

Angela Davies	-	Chair – Tenant Board Member
Steve Finegan	-	Vice Chair – Independent Board Member
Joy McLaren	-	Board Member – Tenant
Derek Allen	-	Board Member – Independent (virtual attendance)
Hajrija Dergic	-	Board Member – Independent
Parveen Brigue	-	Board Member – Independent
Councillor Asha Mattu	-	Board Member – Councillor
Councillor Paul Appleby	-	Board Member – Councillor
Councillor Rita Potter	-	Board Member – Councillor
Councillor Zareena Russell	-	Board Member – Councillor

STAFF IN ATTENDANCE: -

Shaun Aldis	-	Chief Executive
Julie Haydon	-	Assistant Director – Corporate Services (Company Secretary)
Angela Barnes	-	Assistant Director – Housing Options
Darren Baggs	-	Assistant Director – Housing
Ian Gardner	-	Assistant Director – Property
Kevin Manning	-	Assistant Director – Strategic Management
Nicky Devey	-	Head of Business Services
Simon Bamfield	-	Head of Assets and Stock Investment
Maya Dhanda	-	Governance Officer

STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL (CWC): -

Ross Cook	-	Director of City Housing and Environment
Jo McCoy	-	Head of Financial Management, City of Wolverhampton Council

EXTERNAL AUDITORS IN ATTENDANCE: -

- Neil Preece - Grant Thornton, External Audit Partner (virtual attendance)
- Bill Devitt - Grant Thornton, External Audit Partner (virtual attendance)

OBSERVERS IN ATTENDANCE: -

- Colin Bolshaw - Leaseholder
- Andrew Bryant - WH ASB Team Leader
- Melissa Green - Client Relationship Manager – Housing Managing Agents
- Lynda Eyton - Client Relationship Manager – Housing Management Agents

1.0	Apologies	
1.1	<ul style="list-style-type: none">- Mike Porter - Tenant Member- Victor Browne – Tenant Member	
2.0	Declaration of Interest	
2.1	<ul style="list-style-type: none">- Angela Davies – Tenant Member- Joy McLaren – Tenant Member <p>Noted: No specific conflict of interest identified.</p>	
3.0	Minutes of the previous meeting – 11 June 2021	
3.1	The minutes of the previous open Board meeting – 11 June 2021 were agreed as a true record.	
4.0	Matters arising	
4.1	Point 7.3.1 - Comparison data in relation to other housing providers will be provided as part of the performance reporting process.	
4.2	Point 5.8.1 – Modern Slavery; will be included in the development programme for staff and Board members.	
For Information		
5.0	Revenue Monitoring (Annual Out-turn 2020 - 2021 and Quarter 1 2021 - 2022) – Jo McCoy, Head of Financial Management, City of Wolverhampton Council	
5.1	Wolverhampton Homes achieved an overall underspend of £1.9 million against budgets at the end of March 2021, resulting in a contribution from reserves of £0.7 million.	


5.2	The overall position at quarter one is of a slight revenue underspend of £131,000 against the budget for 2021 - 2022. WH is managing their finances very well and demonstrates a track record of control over expenditure and capitalising on income.	
5.3	The rising cost of materials and voids is due to issues resulting in a further spend, however, WH ensure to look at capitalising where possible.	
5.4	Board member referred to the underspend on employee budgets and the overspend on voids.	
5.5	Budget underspend has been realised with a view to accommodating increases in spending in relation to staff wellbeing, incremental increases, pay awards, recruitment and expected increases in national insurance contributions.	
5.6	Resolved: Board members: noted the Revenue outturn position for the financial year 2020 - 2021 and the forecast for 2021 - 2022 as at quarter one.	
6.0	Equality and Diversity – Strategy and Action Plan Quarter 1 update – Julie Haydon, Assistant Director – Corporate Services	
6.1	There has been great opportunity for WH to celebrate specific outcomes and activities in the following key areas: <ul style="list-style-type: none"> - Knowing our Customers - Leadership, Partnership and Organisational Commitment - Involving our customers - Responsible services, Access and Customer Care - Skilled and Committed Workforce 	
6.2	Equality, Diversity and Inclusion (EDI) is woven into all aspects within WH and the company is keen to ensure its strategy is fit for purpose and that the leadership programme has a focus on Black, Asian, Minority ethnic colleagues. The mentoring scheme continues and recruitment in underrepresented areas is a priority, particularly at a senior level.	
6.3	Board member raised that in relation to customer insight, WH be mindful of recording and utilising data in respect of those customers who are not yet able to access the digital platforms.	
6.4	Action: Hajrija Dergic would like to support future international women’s day activities.	JH
6.5	It was confirmed to Board members that work is being reviewed in terms of lower cost internet for customers with help from City fibre	

6.6	<p>(possibly through corporate social responsibility) to help enable customers to access digital platforms.</p> <p>Board members commented this was an excellent report.</p> <p>Resolved: Board Members noted the progress made in relation to:</p> <ul style="list-style-type: none"> • Quarter 1 update – Action Plan • Key highlights 	
7.0	<p>Capital Programme Outturn Quarter 1 2021 - 2022 – Simon Bamfield, Head of Asset and Stock Investment</p> <p>7.1 With a total available budget of £61.23m and an underspend this year, there have been factors affecting the delivery of the Capital Programme which are:</p> <ul style="list-style-type: none"> - The impact of Covid-19 - Supply of building materials - Delay on lockdown easing <p>7.2 There has been an increase on high cost voids, for the period 2020 – 2021 (with 44 void property reported as high cost).</p> <p>7.3 In relation to works being undertaken / completed, updates are as follows:</p> <ul style="list-style-type: none"> - Heath Town refurbishment programme is progressing well (Phase 2); the tower block replacement and deck access blocks will be finished by the end of the year. - Fire safety and infrastructure projects were completed (phase 1 and 2) in relation to tower block fire safety. - Lakefield estate (phase 3) is complete with new sprinkler systems installed. - Merry Hill estate (phase 4) work has commenced, with internal works to the blocks being delayed due to asbestos removal works required prior to the installation of the new water main. - Graiseley (phase 5) – WH are endeavouring to accelerate the roofing work, internal decency works and environmental works. This is reliant on the stock condition resources being in place (within 4 - 6 weeks). - Damp and mould - works will be completed as part of the 5 year plan. <p>Resolved: Board Members noted the outturn figures and performance achieved in the delivery of the Housing Revenue Account (HRA) Capital Programme.</p>	

8.0	Any other business	
8.1	No items of any other business were raised.	
9.0	Date of next meeting:	
9.1	Date: Friday 10 December 2021 Time: 09:30 am	

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Board Report

	Agenda Item 5
	10 December 2021 Quarter Two Revenue Forecast for 2021 - 2022
	Open Report
Status:	For Information
Author and job title:	Jo McCoy, Head of Financial Management, City of Wolverhampton Council
Contact No:	01902 554415
Recommendations:	Board members are asked to note the Revenue outturn forecast for 2021 - 2022 as at quarter two.
Key risks and contentious issues:	<p>The budget for 2021 - 2022 has been balanced without a contribution from reserves. The quarter two forecast is currently for an underspend against the budget of around £1.2 million.</p> <p>This is an increase from the underspend forecast at quarter one position by £0.9 million, due in particular to additional income being identified and generated.</p>

Management Summary

1.0 Purpose

1.1 This report is to inform the Board of the quarter two revenue outturn forecast position for 2021 - 2022 as of 30 September 2021 and give an update on the budget strategy for 2022 - 2023.

2.0 Revenue Forecast 2021 - 2022

2.1 A balanced budget was set for 2021 - 2022, with no planned contribution from reserves to ensure that the company can operate within the limit of our annual income and use reserves for contingency and investment purposes only.

2.2 The forecast budget position on 30 September 2021 is for a £1,198,000 underspend against budget. The position is summarised below in Table 1.

Table 1 – Summary Forecast Outturn for 2021 - 2022 at Quarter Two

	2021 - 2022 Budget £000	2021 - 2022 Forecast £000	2021 - 2022 Variance £000
Expenditure			
Employees	27,731	27,132	(589)
Non-Pay Costs	22,169	23,014	835
Total Expenditure	49,900	50,146	246
Income			
Management Fee	(39,647)	(39,947)	(300)
Trading Income	(9,302)	(10,238)	(936)
Other Income	(951)	(1,159)	(208)
Total Income	(49,900)	(51,344)	(1,444)
Net Budget position	-	(1,198)	(1,198)

2.3 The employee budget is forecast to underspend by around £589,000. The employee budget was based on staff in post in January 2021 with a contingency allocation to allow for increments and the planned recruitment of additional staff once new structures were agreed. The underspend equates to 2.1% of the total budget. At any time there will always be some budget slippage while recruitment takes place to replace staff who retire or leave the company. The forecast allows for a pay award of 1.75%, this offer is currently being rejected by trade unions who are expected to ballot members on industrial action over the coming weeks.

2.4 Expenditure on repairs and maintenance is forecast to be higher than budget by £1.6 million with:

- Around £450,000 is overspending against repairs and voids budgets.
- £100,000 is due to a planned increase to the fencing programme which will reduce next year's fencing budget accordingly.

- Around £500,000 is forecast to be offset with additional income from capital programme budgets for void refurbishment and boiler replacement.
- £400,000 is due to budgets needing to be realigned to increase both income and expenditure budgets for the Home Improvement Agency. These will be addressed at budget setting when further analysis will identify if the additional expenditure and income is one off during 2021 - 2022. If expected to be ongoing, this will be addressed in next year's budget.

2.5 Transport related budgets are anticipated to be £400,000 under budget, £50,000 relating to car allowances with the balance being against the budget for fleet hire. Budget provision was made for anticipated increases to lease costs with new vehicles. Budget setting will examine how much of this provision is now required. Board are reminded, as we consider the move to more environmentally friendly vehicles, it is inevitable that costs will increase, potentially reducing the options for savings.

2.6 There is a further underspend due to a reduction on the cost of the Service Level Agreement with ICT of £139,000 which is also a potential budget saving.

2.7 Overall, income is expected to exceed targets by £1.4 million. As discussed in 3.1 above there is some budget realignment required and some additional capital programme income to offset additional expenditure. However, the council has approved the transfer of the Springfield Horseshoe TMO Management Fee to Wolverhampton Homes. For 2021 - 2022 this is expected to be at least £300,000, after adjusting for invoices to the TMO paid by the council.

2.8 The company has also received £150,000 from Help to Own for onboarding services, which it is resourcing using existing staff and £133,000 grant income passed over from the council for Housing First resourced by staff within the current employee forecasts.

2.9 Further detail on the income and expenditure forecast for 2021 - 2022 can be seen at Appendix 1.

3.0 Budget Strategy for 2022 - 2023

3.1 Despite the forecast underspend for the year, the medium-term financial position has become more challenging over recent months, due to inflationary cost pressures.

3.2 The Chancellor announced an increase in National Insurance for employers of 1.25% from April 2022, the cost of living pay award for 2021 - 2022 offered at 1.75% has not yet been settled. There is likely to be a further pay award in 2022 - 2023 and there will be annual increments due as a result of the People Deal. The total impact on pay budgets is likely to be an increase in costs of at least £1.2 million.

3.3 CPI Inflation for October 2021 has increased to 4.2%, up from 3.1% in September. The latest Construction Price Indices published by the ONS for housing repairs and maintenance are 4.0 for September 2021, an increase of 3.0 from January. Therefore there are likely to be increases in the costs of materials, subcontractors and maintenance contracts.

- 3.4 The council is consulting tenants on its intention to increase rents by the maximum possible under government policy, 4.1% (September CPI plus 1%) and is intending to pass on an increase to the management fee.
- 3.5 The Medium-Term Financial Strategy (MTFS) already had built in assumptions for both pay increases and non-pay inflation, and although the position is more challenging and cost pressures have increased, the forecast at Quarter 2 has identified potential savings and additional income. Budget meetings with managers are currently taking place to ensure all these opportunities are maximised.
- 3.6 Despite the challenges, Wolverhampton Homes expects to again achieve a balanced budget position in 2022 - 2023. The budget for 2022 - 2023 will be presented to the Board at the next meeting in March 2022 along with an updated MTFS.

4.0 Summary of Financial Position

- 4.1 The overall position at quarter two is of an overall underspend of £1,298,000 against the budget for 2021 - 2022. This is mainly due to additional income being identified. This demonstrates Wolverhampton Homes' track record of controlling expenditure and maximising income.
- 4.2 The final investment property was purchased in May 2021 at a cost of £185,000 including stamp duty. This has been charged against reserves.
- 4.3 Reserves balances now total £5.6 million, the forecast underspend for the year would increase this to around £6.9 million at 31 March 2021. This leaves funding available as planned for one off investment as the company looks to decrease costs overall in line with the MTFS.

5.0 Financial and value for money implications

- 5.1 Wolverhampton Homes has a long-term record of effective budgetary control and retains reserve balances of £5.6 million.

6.0 Legal and regulatory implications

- 6.1 There are no legal and regulatory implications identified within this report.

7.0 Human resources implications

- 7.1 There are no human resources implications identified within this report.

8.0 Health and safety implications

- 8.1 There are no health and safety implications identified within this report.

9.0 Equalities implications

- 9.1 Has an equality impact assessment been carried out. **No.**

9.2 Explanation: There are no proposals within this report.

10.0 Impact on the environment and community

10.1 The report does not contain any proposals that affect the environment or the community.

11.0 Long term consequences for the company

11.1 Tight control of budgets and getting the best use of our cash reserves is essential to ensure we have sufficient resources in the long term.

12.0 Impact on business relationships with suppliers, customers and others

12.1 Careful financial planning is required to ensure we can continue to provide the same level of service for customers and support local suppliers.

13.0 Impact of Covid-19

13.1 Where there is any noted impact this will be referenced within the body of the report.

14.0 Impact on the Wolverhampton Homes' Management System

14.1 Will any new policy or policy updates have an impact on the management system. **No.**


15.0 List of Appendices

15.1 Appendix 1: Income and Expenditure Forecast 31 March 2022 as at Quarter 2

Appendix 1: Income and Expenditure Forecast 31 March 2022 as at Quarter 2

	2021 - 2022 Budget £000	2021 - 2022 Forecast £000	2021 - 2022 Variance £000	Comment
Expenditure				
Employees	27,731	27,132	(589)	2.1% of budget
Repairs and Maintenance	14,253	15,866	1,613	£900,000 offset by additional income, £100,000 planned increase to fencing programme. Balance Repairs and voids overspend
PSL payments to landlords	580	470	(110)	Strategy to reduce number of leases
Facilities	813	757	(56)	Reduced office running costs
Transport	1,534	1,127	(407)	Car allowances (£50,000) Balance - budget provision for increased anticipated costs for leases for new vehicles. Potential budget saving
Supplies and Services	3,293	3,226	(67)	
Support Services	1,706	1,567	(139)	ICT Service Level Agreement
Total Expenditure	49,900	50,146	246	
Income				
Management Fee	(39,647)	(39,947)	(300)	Now includes SHTMO allocation
Trading Income	(8,447)	(9,547)	(1,100)	£900,000 offsetting expenditure, £133,000 grant income
PSL rental income	(725)	(567)	158	Strategy to reduce number of leases
Investment Property Income	(130)	(123)	7	
Other Income	(951)	(1,159)	(208)	Includes £150,000 from Help to Own
Total Income	(49,900)	(51,344)	(1,444)	
Budget surplus	-	(1,198)	(1,198)	

Board Report

	Agenda Item 6
	10 December 2021 Improvements to the fire safety management arrangements
	Open Report
Status:	For Information
Author and job title:	Simon Bamfield, Head of Assets and Stock Investment
Contact No:	07717 732984
Recommendations:	Board Members are asked to note the proposed changes to the fire safety management regime and the terms of reference for the new Fire Safety Committee.
Key risks and contentious issues:	<p>Health and Safety: Fire safety must be managed robustly and have detailed controls in place to reduce risks to the public, our organisation, internal workforce and external contractors.</p> <p>Reputational: Failure to ensure compliance in these areas could result in prosecution by West Midlands Fire Service (WMFS), the Health and Safety Executive (HSE), or the Building Safety Regulator.</p>

Management Summary

1.0 Purpose

- 1.1 This report provides Board members with the details of the improvements being made to the fire safety compliance activities that are undertaken by Wolverhampton Homes (WH).

2.0 Background

- 2.1 Following the Grenfell Tower tragedy, the focus on fire safety increased dramatically and WH implemented remedial fire safety work in its tower-blocks and increased the scope of the planned improvements to include active fire suppression (sprinklers systems).
- 2.2 Since then the fire safety industry has undergone radical change, with existing legislation being more stringently interpreted and rafts of new and proposed legislation being issued. Consequently, it is imperative to review the Fire Safety Policy and procedures across WH.
- 2.3 With the advent of the Building Safety Bill placing increased demands upon landlords, the first step was to recruit a competent Building Safety Manager (who will be the duty-holder under this legislation).
- 2.4 The role was appointed to in June 2021 with the postholder undertaking a review of fire safety strategy, policy and procedures across the organisation. The review has identified gaps in how fire safety policy and plans have been disseminated across various departments. It has also identified a reactive rather than a proactive approach to compliance issues (and a reliance that the fire service will identify these areas of non-compliance for us).
- 2.5 The new fire safety strategy, policy and procedures will be presented to the Audit and Business Assurance Committee in quarter 1 of 2022 – 2023. The business change needed to support the delivery of this new compliance regime will be managed through the Fire Safety Project and overseen by the Project Board. This project will be launched in early 2021 and an integral part of this will be the introduction of the new Fire Safety Committee for which the associated Terms of Reference are attached at Appendix 1.
- 2.6 The introduction of the Building Safety team will significantly strengthen WH's capacity and capability in all fire safety matters and compliance. This will include implementing a third-party accredited fire safety management regime (endorsed via the BAFE SP205 framework).
- 2.7 The Building Safety team will control and coordinate all fire safety work streams and liaise with the key stakeholders to ensure consistent compliance delivery is maintained.

3.0 Financial and value for money implications

- 3.1 The management of building safety is governed by significant amounts of legislation, which has a direct impact on the cost of these activities. Provision of the necessary financial resources is made within the relevant revenue and, or capital budgets.

4.0 Legal and regulatory implications

- 4.1 The Regulatory Reform (Fire Safety) Order 2005 places a duty on employers to undertake Fire Risk Assessments (FRAs) of their premises and Wolverhampton Homes ensures its FRAs were undertaken in accordance with the agreed frequency. This activity has been supported by rudimentary fire safety compliance checks across the organisation.
- 4.2 The Building Safety Bill (soon to become an Act of Parliament with a raft of secondary legislation attached to it), creates a host of new legal duties, including that of the Building Safety Manager. It is critical that WH ensures it has a robust regulatory inspection regime in place covering all facets of building safety.
- 4.3 The Social Housing White Paper reinforced the need for landlords to ensure its buildings are safe, and to engage with residents, providing them with tailored information on the fire and building safety of the buildings they reside in.

5.0 Human resources implications

- 5.1 Wolverhampton Homes has appointed two experienced and competent Fire Safety Compliance Officers to work alongside the Building Safety Manager, implementing the new compliance regime and to provide expert advice and undertake regular audits across the business.
- 5.2 It is proposed to create some development posts for suitable candidates to come into the team and receive the necessary training and mentoring to allow them to grow over time and fulfil new roles. This will be in two specific areas of responsibility:
 - The control and coordination of the many actions that arise from fire risk assessments and the re-inspection of asbestos containing materials (to ensure all remedial actions are allocated correctly and are being completed within the required timescales)
 - The completion of fire risk assessments, which will strengthen our in-house capability and provide the opportunity to reduce the extent we will need to use external consultants.
- 5.3 In accordance with emerging best practice there will also be a need to implement Building Information Modelling (BIM) systems, to ensure the Golden Thread of Information is being strongly managed across the business. It is anticipated there will be some additional resource pressures when this is implemented but it is currently too early to confirm the exact extent.

6.0 Health and safety implications

- 6.1 The Fire Risk Assessment regime, as required under the Regulatory Reform (Fire Safety) Order, along with the improvements being proposed (such as the implementation of a third-party accredited fire safety management regime), will ensure WH meets the requirements under the primary legislation, i.e. the Health & Safety at Work, etc. Act.

7.0 Equalities implications

7.1 Has an equality impact assessment been carried out? **No**

7.2 Explanation: an equality impact assessment will be carried out as and when required.

8.0 Impact on the environment and community

8.1 Ensuring compliance across all housing activities has a positive impact on the safety of all City residents, our staff and visitors to our buildings, the fire service, and members of the public.

8.2 The plan for the delivery of Fire Risk Assessments has been reviewed, to enable more efficient delivery, which in-turn will reduce the carbon footprint.

9.0 Long term consequences for the company

9.1 Failure to ensure compliance could result in reputational damage or even legal action against the responsible persons in the event of an incident.

10.0 Impact on business relationships with suppliers, customers and others

10.1 Failure to ensure compliance could result in an impact on business relationships with suppliers, customers and others.

10.2 Better resident engagement on building safety will ensure risks to customer satisfaction are proactively managed and reduce the need for residents to use the housing ombudsman to voice their concerns.

11.0 Impact of Covid-19

11.1 Covid-19 protocols are still being adhered to.

12.0 Impact on Wolverhampton Homes' Management System

12.1 Will any new policy or policy updates have an impact on the management system? **No**

12.2 Explanation: Changes are being implemented as a result of this paper, but there will be substantial change with the introduction of the new policy.

13.0 List of Appendices

13.1 Appendix 1: Wolverhampton Homes Fire Safety Committee - Terms of Reference

Appendix 1

Wolverhampton Homes' Fire Safety Committee - Terms of Reference

Purpose of the Committee

Fire safety compliance and providing safe homes for customers is at the forefront of Wolverhampton Homes' Business plan 2019 – 2023. The Building Safety team is committed to facilitating the fire safety delivery programme in order to maximise fire safety excellence throughout all its building stock, collaborative working amongst all work streams is vital for a consistent fire safety message.

A fire safety committee has been formed utilising key stakeholders from each delivery area to make a positive contribution the fire safety across the organisation.

The fire safety committee will comprise of the following:

Role of Committee Members

The role of the Fire Safety committee will be to:

- Provide strategic level oversight of cross departmental delivery work on the Fire Safety Programme
- Provide a platform to support and advocate the accountable person with the implementation of workstreams and achieving governance and compliance, to achieve this by regularly reporting to the City of Wolverhampton Council's Better Homes Board.
- Advocate for and promote broader fire safety policy within their chosen sector with consideration for joined up working (one team approach)
- Provide constructive challenge to fire safety delivery and suggest improvements across all sectors
- Advise Wolverhampton Homes Senior Management team (SMT) on possible actions to accelerate fire safety cultural change
- Take an overview of considerations on management and remediation where fire safety issues are identified in building stock and sharing information and learning
- Take an overview of developing practice of managing fire safety issues in privately owned stock, including considering where changes to current guidance could make it easier for WH to ensure the safety of residents
- Consider any appropriate responses to fire safety aspects of upcoming reports (including but not limited to the Hackitt review and aspects of the Grenfell Inquiry – Building Safety Bill)
- Formulate strategy for fire safety training and review implementation
- Review, monitor and audit fire safety management and maintain a register of all significant findings as identified by the fire risk assessment and periodically report on progress
- Monitor the arrangements and standards for the fire risk assessment process in accordance with fire safety legislation; and to audit implementation and periodically report on progress
- Provide a forum for discussion of matters relating to fire safety compliance (residents voice)

- Liaise with all appropriate committees, sub-committees and working groups concerning matters of mutual interest or concern
- Report to and provide assurance to our shareholder the City of Wolverhampton Council

Governance and Legislation

The Regulator of Social Housing will work closely with the Building Safety Regulator. This new government organisation will have requirements in place to ensure high-risk buildings (such as tower-blocks) are safe.

The Social Housing White Paper – links to the delivery of fire safety:

- Be and feel safe in your home
- Have information from your landlord about the service they provide
- Be able to speak up and have your voice heard

Wolverhampton Homes will ensure that customers are kept safe in their homes, which are maintained to the highest possible standard and managed by competent individuals.

In order to be compliant, we will ensure we operate under the following legislation:

- The Regulatory Reform (Fire Safety) order 2005
- The Health & Safety at work act 1974
- The Fire Safety Act 2021
- The Building Safety Bill (going through parliament)
- CDM regs 2020
- Building Regulations 2010
- Housing Act 2004

Frequency

The Fire Safety Committee meetings will be held every eight weeks on a planned cycle of dates. If necessary, an emergency committee meeting can be called outside of the cycle of meetings.

Note: if a core member cannot attend, then a deputy should be appointed to attend in their place to represent the relevant service area. Other representatives from across the business may also be invited to attend where specific issues relevant to their work area are being discussed.

Core Membership

Name	Position	Service Area
TBC	Board Champion	SMT
Ian Gardner (Chair)	Assistant Director (SMT)	Property
Stuart Bourne (Deputy)	Building Safety Manager	Stock Investment
Simon Bamfield	Head of Assets and Stock Investment	Stock Investment
Charlotte Gibbons	Head of Sustainment and Support	Sustainment & Support
Debbie Thompson	Head of Homeless Services	Homeless Services
Michael Hough	Safety, Health and Environmental Support Officer	Business Services
Rebecca Clarke	Head of Customer Experience	Customer Experience
Roy Parlor	Head of Compliance	Compliance
Shaun Mulloy	Head of Repairs and Maintenance	Repairs & Maintenance
Sophie Munn	Head of Tenancies and Communities	Tenancies & Communities
Steve North	Head of Capital Works	Capital Works

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