

Housing Supervisory Board Update Report to Cabinet

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1. Synopsis

The purpose of this report is to present to the Housing Supervisory Board (HSB) the areas and themes, set out at section eight, to be covered in the Housing Supervisory Board Update Report to Cabinet and to seek approval that work to develop and finalise the report is delegate to the Assistant Director of Homes and Communities in consultation with the Chair of the Housing Supervisory Board.

2. Executive Summary

- 2.1. This report seeks approval from the HSB for the proposed areas and themes to be covered in its annual reporting to Cabinet. Furthermore, the HSB is requested to approval that work to develop and finalise the report is delegated to the Assistant Director of Homes and Communities in consultation with the Chair of the Housing Supervisory Board.
- 2.2. The proposed report will provide Cabinet with an update on the activities of the Housing Supervisory Board (HSB) and the operations of Cornovii Developments Limited (CDL). The Housing Supervisory Board's Terms of Reference requires that there will be regular reporting to the Council on the activities of the HSB and operations of the Company, in accordance with its responsibilities.
- 2.3. The Council has reserved certain functions to itself, as shareholder of CDL, in the articles of association and the shareholder agreement, delegating some of these functions to the Housing Supervisory Board. The report to Cabinet will set out how the Housing Supervisory Board is exercising these functions in accordance with its Terms of Reference and the Shareholder Agreement.

3. Recommendations

- 3.1. Approve the proposed outline content for the Housing Supervisory Board Report to Cabinet
- 3.2. Approve that work to develop and finalise the report is delegated to the Assistant Director of Homes and Communities in consultation with the Chair of the Housing Supervisory Board

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. The proposed report will ensure that Cabinet is fully appraised of the current risks and opportunities associated with the delivery by CDL of the approved business plan. Furthermore, the proposed report will set out how the HSB is monitoring CDL to ensure risk is managed and that opportunities for the Council are pursued, where relevant and appropriate within the context of the housing company.

5. Financial Implications

- 5.1. There are no direct financial implications arising from the approvals requested in this report.

6. Climate Change Appraisal

- 6.1. There are no direct climate change implications arising from the approvals requested in this report.

7. Background

- 7.1. CDL was incorporated in 2019 by Shropshire Council to meet unmet housing need across the County and to provide income to support the Council to become more financially self-sufficient.
- 7.2. The Council has delegated certain Shareholder functions to the Housing Supervisory Board. The Housing Supervisory Board, is responsible for approving all Shareholder Consent matters, as set out in the Shareholder Agreement, to include approving the Company Business Plan and appointing, removing or dismissing any director.

- 7.3. In accordance with its Terms of Reference the HSB is required to report to the Council on the activities of the HSB and operation of the Company in accordance with its responsibilities. The proposed report will set out to Cabinet each of these responsibilities and will report on the activities undertaken by the HSB in connection with each responsibility.
- 7.4. The proposed report will be the second update provided by the HSB to Cabinet, the first being presented in 2022. Such reports are to be provided by the HSB to Cabinet annually.

8. Proposed Areas and Themes to be cover in Cabinet Report

- 8.1. The Executive Summary to cover the following areas and themes.
 - 8.1.1. The rationale for presenting the report to Cabinet in that, the Housing Supervisory Board's Terms of Reference requires regular reporting should be made to Cabinet on the progress of CDL in meeting unmet housing need across the County and in delivering on the objectives of its business plan.
 - 8.1.2. Provide an overview of the role of the HSB in providing strategic direction to the company and in overseeing the performance of the company in accordance with its delegated functions and within the terms of the Shareholder Agreement.
 - 8.1.3. Overview of CDL delivery to date and projections for delivery over the next twelve months.
 - 8.1.4. Detail of the current Business Plan approved by the Housing Supervisory Board in March 2023
- 8.2. The Risk Assessment and Opportunities Appraisal to cover the following areas and themes.
 - 8.2.1. Advise of the role of the Housing Supervisory Board in monitoring the progress and performance of CDL. Set out the structure of HSB meetings and the role of the Managing Director of CDL in attending the meetings to give account of the Company's activities.
 - 8.2.2. Describe the role of the CDL Board of Directors in managing risk. The use by the company of sensitivity analysis and reporting of outcomes to the HSB. Providing detail of latest sensitivity analysis as reported to the HSB at its meeting on 14 September 2023.
 - 8.2.3. Outline the role of the CDL Monitoring Board, the Assistant Director of Homes and Communities and the Client and Commissioning Manager in monitoring the activity of CDL.
- 8.3. The Financial Implications to cover the following areas and themes.

- 8.3.1. Describe the financial arrangements of CDL and the nature of the loan facilities in place with the Council, describing how the performance against the terms of the loans is monitored.
- 8.3.2. Outline the expected return to the Council over the life of the current Business Plan, to include current projections
- 8.3.3. Advise of the current negotiations on the restatement of the loan agreement which are critical to delivery of the approved Business Plan.
- 8.4. The Climate Change Appraisal to cover the following areas and themes.
 - 8.4.1. To cover CDL's approach to Energy and fuel consumption, Renewable Energy Generation, Carbon Offsetting or mitigation and Climate change adaptation in respect of the current Business Plan.
- 8.5. The Background to cover the following areas and themes.
 - 8.5.1. Set out the background of the Company and current status of delivery.
 - 8.5.2. State the role of the HSB and its functions as delegated by the Council as set out in its Terms of Reference and the Shareholder Agreement.
 - 8.5.3. Present the current CDL business plan approved by the HSB at its March 2023 meeting and current projections for delivery over the life of the plan.
 - 8.5.4. State the role of the HSB in monitoring the progress of CDL against the objectives of the business plan.
 - 8.5.5. Detail the matters of Shareholder Consent to which the HSB has given approval, to include approval of the business plan and appointment of company directors.
 - 8.5.6. Provide a summary of CDL's ambitions to meet unmet housing need and the role of the HSB in overseeing delivery of the company's business plan.

9. Conclusions

- 9.1. The Housing Supervisory Board is asked to approve the proposed outline content for its report to Cabinet and to approve that work to develop and finalise the report is delegated to the Assistant Director

of Homes and Communities in consultation with the Chair of the
Housing Supervisory Board

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Cllr Dean Carroll

Portfolio Holder for Growth and Regeneration

Cllr Vince Hunt

Chair of Housing Supervisory Board