

Open minutes of Tower Hamlets Homes Board Meeting
Thursday 14 September 2023 **6.05pm – 6.15pm**
Tower Hamlets Town Hall, 180 Whitechapel Road, E1 1BJ /Teams

Board Directors Present:

Ann Lucas (AL & Chair)	-	Chair, Independent Board Director
Claire Tuffin (CT & Vice Chair)	-	Resident Board Director
John Wu (Wu)	-	Independent Board Director
Nikesh Shah (NS)	-	Independent Board Director
Mahbub Anam (MA)	-	Resident Board Director (*via Microsoft Teams)
Simon Hart (SH)	-	Resident Board Director
Safia Jama (SJam)	-	Independent Board Director
Abu T Chowdhury (ATC)	-	Cllr Board Director
Abdul Wahid (AW)	-	Cllr Board Director
Mohammed Maium M Talukdar (MMT)	-	Cllr Board Director

Co – Optees Present:

Iain Lawson (IL)	-	Co-Optee to Finance & Audit Committee
Pam Haluwa (PH)	-	Co-Optee to Standards & Customer Experience Committee

Officers Present:

Ann Otesanya (AO)	-	Acting Chief Executive
Neil Isaac (NI)	-	Director of Finance
Beverley Greenidge (BG)	-	Acting Director of Neighbourhoods
Paul Davey (PD)	-	Director of Business Transformation
Sameena Raouf (SR)	-	Governance Officer

In Attendance:

Karen Swift (KS)	-	LBTH Director of Housing
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Apologies:

Michael Killeen	-	Director of Asset Management
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1.	Welcome	
1.1.	AL welcomed all to the meeting. Apologies for the above were noted. It was noted the final Finance and Audit Committee meeting will be held first to approve the accounts followed by the AGM and a short single item Board meeting.	
2.	Declaration of Interest	
2.1.	IL, SH, CT and PH declared their interests as leaseholders of Tower Hamlets Homes.	
3.	Finance & Audit Committee - Annual Accounts for 2023-24	
3.1.	Chair of the Finance & Audit Committee JW introduced NI to present the annual accounts report to the Board. The report disclosed its business activities, principal risks and uncertainties. It was noted THH has significant cash reserves, the decision of the Council to undertake the management and maintenance of the housing stock directly from 1 November 2023 will result in THH ceasing operations and the TUPE transfer to the Council. The accounts were therefore not prepared on a going concern basis.	
3.2.	It was noted that these were the provisional annual accounts and that the auditors were confident with the figures and do not expect it to change. It was noted, for 2022/23 we realised a total comprehensive profit of (.	

3.3	It was recognised a pension fund surplus of £39.64m as an asset on our balance sheet together with a corresponding liability. It was noted any surplus is due to LBTH (as per the management agreement). It was noted that this was a very healthy position to be in.	
3.4	MMT queried whether there are any risks LBTH need to be aware of to which NI responded the auditors Rice Kirk have given their assurance that there is not. AL added that there have historically been concerns with Intercompany and pensions but that has not happened this year.	
3.5	NK commented the accounts look healthy, the cash position has reduced slightly since last year and queried whether there is anything we should be concerned about? NI responded this is a good position to be handing back to the Council.	
3.6	ATC commented that the Council appreciate THH brining the accounts to the position that it is in and that he reassured. He thanked NI and the finance team for all their efforts.	
3.7	<i>The THH Finance & Audit Committee adopted and approved the management accounts to the Board subject to the final accounts position.</i>	
3.8	<i>The THH Board adopted the THH Annual Accounts 2023-24.</i>	
4.	Minutes of the Open Minutes of the Board Meeting Held on 27th July 2023	
4.1.	<i>The THH Board AGREED minutes of meeting held on 17th July 2023 were an accurate record.</i>	
5.	Insourcing Report (Part One)	
5.1.	PD introduced this item to the Board. The report provided an update on the preparations for transferring all landlord services, currently provided to LBTH by THH, back under direct control of the Council.	
5.2	In relation to transfer of accounts and budgets, JW requested more information on the timelines associated with this and how close we are to hitting each action by their target dates. NI responded the plan is to copy the existing codes used by THH into the Council's ledger, that will effectively allow Agresso users to carry on with the minimum of disruption. The extract from the THH ledger has been run and is being reviewed for completeness. The next step would be to link the codes into the Council's reporting hierarchy for the HRA. He added this is fairly straightforward and that we remain on track.	
5.3	NI added the payroll system is shared, but the staff will have to be set up in LBTH's payroll. It is anticipated that this will be automated, the fallback position is a manual upload which is feasible given the pay date is the end of the month.	
5.4	CT queried overall how on track are we, in particular regarding staff engagement and culture change? She commented this can be a big area of challenge when merging two organisations. PD responded engagement has been very strong throughout. More detail is available in the Insourcing report in Part 2 of this agenda. He added culture change into the Council has not been a feature of the insourcing process to date. Some staff have expressed concern about the risk of losing or dissipating the THH culture that they currently recognise. Events will take place between THH staff and similar council teams to help relationships between staff in the two organisations.	
5.5	AO further added that the Council is going through a change in itself with a change in leadership and a new Chief Executive, this could be seen as an opportunity.	
5.6	NK added that they recently put together a project team to bring out the best of both organisations. They also have an internal comms team pulling together information packs, bus tours etc. CT commented staff will feel a range of emotions and they are entitled to feel that way.	
5.7	<i>The THH Board NOTED the Insourcing report (Part One).</i>	

	<i>NK left the meeting at 6:50pm</i>	
6.	CE Report	
6.1.	AO presented this item to the Board. The report set out updates on Neighbourhood Services, Asset Management and performance.	
6.2	AO commented she hoped to see Board Directors at the screening of 'If Only' which would be premiered at the Genesis Cinema on Mile End Road on Friday 22 September 2023.	
6.3	JW queried how confident is our assertion that we have no RAAC in our housing stock and whether we need to add this (RAAC) on to any risk monitoring register that we have? MK responded that there is no record we are aware of that we have any RAAC. However, a diagonal survey across asset archetypes over the next 2 years will give greater confidence. If we do find any, then it will be added to our register of significant risks and referred to our building safety panel to review.	
6.4	IL commented that we are holding properties for decant which is affecting our rent figures. If we are aware of this, should we adjust our rent collection figures as the current system makes our figures look worse than they should be? BG responded we used to be able to make adjustments some years ago for long term voids.	
6.5	ACTION: As part of his handover, NI to factor in budget provisions for long term voids. This should also be fed into the HRA.	
6.6	JW made reference to the indicators in regards to service charges, the difference between the target and actuals seem to have a gap to which NI responded generally its challenging to collect income. We are sending out actuals at the end of this month which will add to the arrears immediately. He added that usually at this time of year, our performance is better than it is currently and the challenge is to be empathetic but robust.	
6.7	IL commented that he had tried to make a service charge payment online using a credit card. Initially it was confusing on the website whether the invoice or account number was required. Although his credit card was accepted, the payment was not taken and he was not notified. He added it should be clear on the website what payment methods are accepted.	
6.8	ACTION: NI to look into making payment methods easier.	
6.9	<i>The THH Board NOTED the CE report.</i>	
7.	Seeking Assurance ahead of the RSH Inspection Regime	
7.1	PD presented this item to the Board. The report outlined what we expect the Regulator of Social Housing's inspection regime will look like, based on sector-wide learning that had been shared. It also outlined some of the options available to organisations to seek assurance, both internally and externally I our regulatory preparations and compliance.	
7.2	PD commented the Regulatory Assurance Team had worked very hard through the various Committees to get us to a good state of preparedness.	
7.3	It was noted audit commission inspections previously focused on best value whereas the regulators inspections focus on compliance. The Regulators will inspect the quality of our compliance and therefore we have to get an 100% view of the organisation.	
7.4	CT commented that in her organisation she did briefings on all parts of the business which helped them get a higher grading. It did however require a lot of work as they were going to the executive team and Board.	
7.5		

7.6	<p>ES advised that they have outlined an array of different approaches before the inspections. THH has been receptive to the work, all Heads of Service seem to be understanding to the scrutiny.</p> <p>JW queried what is the consequence of failing the inspection and whether we generally have good oversight of our business that we do not need to spend too much on external assurance? ES responded the known risks are the naming and shaming but we are not actually aware of the risks. PD understood that councils receiving a critical report would be given a period, e.g., 12 months to put right before re-inspection. AO added that Regulators will probably speak to Councillors and that there is currently a pilot happening in Islington. AL added when something comes out of that we can gauge better understanding, and that she is a big fan of mock inspections.</p>	
7.7	<p>CT commented from her experience, the Regulators were critical of their complaints and added we need to make it meaningful for residents rather than its good for the Regulator. AL added the Regulator is now much more about making it work for residents.</p>	
7.8	<p>ACTION: Follow up and find someone from the Council to drive this relatively quickly.</p>	
7.9	<p><i>The THH Board NOTED the Regulatory Assurance Update.</i></p>	
	<p><i>EL and RP left the meeting at 7.30pm</i></p>	
8.	<p>Report on HO maladministration findings</p>	
8.1	<p>PD presented this item to the Board. The report set out the key themes and lessons learnt from Maladministration determinations received from the Housing Ombudsman from April 2022 to March 2023 and from April 2023 to August 2023.</p>	
8.2	<p>MB advised that generally speaking maladministration cases relate to our handling of repairs and the areas which require greater focus on are record keeping, communication, complaint handling and compensation. Reference was made to point 2.2 of the report on the action points to be taken to mitigate these. He added actions are being taken to address these areas of focus and that his team will be providing bespoke training. We hope to see the impact of the training towards the latter end of the year.</p>	
8.3	<p>MB added some Ombudsman determinations have been challenged due to inconsistencies in their investigations and overturned.</p>	
8.4	<p>AO advised that she had drawn LBTH's attention to the fact that our maladministration case numbers were higher than our peer group and that it is likely that we may feature in media reporting. She added there is work for LBTH for their handling of stage two complaints and that the Housing Ombudsman is taking a completely different approach to previously.</p>	
8.5.	<p>MA commented Haringey Council self-referred themselves to the Housing Ombudsman to which AO responded stage one complaints go to THH, stage two to LBTH and then the Housing Ombudsman. The Ombudsman deal with it once the resident has exhausted the complaints procedure. MB added repairs complaints are still the primary driver with the offer of adequate compensation and the length of time to offer it being an issue. AO added we have a plan in place to look at our compensation policy.</p>	
8.6.	<p>CT commented that historically there were performance issues at LBTH with dealing with stage two complaints due to resourcing. PD responded LBTH's performance at stage two were at 19% at one stage as opposed to THH's performance of stage ones at 90%. He added that LBTH's performance has improved slightly to 20%. CT responded that 90% is excellent and that we don't</p>	

	want that performance to drop. PD added the Ombudsman also have issues with the process in which the complaints are dealt.	
8.7.	ATC queried whether there is a budget for compensation to which NI responded we do and that it is currently over budget. There are discussions being had for next years' budget to align with it. He added we have paid approximately £10k in compensation.	
8.8	<i>The THH Board NOTED the HO maladministration findings report.</i>	
	<i>MB and AW left the meeting at 6:40pm.</i>	

**Actions Log: Open minutes of THH board
14th September 2023 6.05pm-7:30pm**

Item	Action	Who	Due	Status
6.5	As part of his handover, NI to factor in budget provisions for long term voids. This should also be fed into the HRA.	NI		
6.8	NI to look into making payment methods easier.	NI		
7.8	Follow up and find someone from the Council to drive this relatively quickly (Regulatory assurance)	ES/PD		

Chair

Date