

## HTS (Housing & Regeneration) Ltd

### Minutes of Board Meeting

Held on 29<sup>th</sup> July 2020 at 6pm

Via Zoom Conference Call

#### Present:

#### Director members:

- Michael Harrowven (Non-Executive Chair)
- Councillor Joel Charles (Director)
- Councillor John Strachan (Director)
- Councillor Emma Toal (Director)
- John Phillips (Managing Director) - Minutes

| No  | Item  | Action by |
|-----|---|-----------|
| 1   | <b>Apologies for Absence</b><br>None  | Noted     |
| 2   | <b>Introductions</b><br>MH welcomed Directors to the meeting.   | Noted     |
| 3   | <b>Internal controls, conflicts of interest and procedural matters</b>  |           |
| 3.1 | None declared   | Noted     |
| 4   | <b>Matters arising</b>  |           |
| 4.1 | None noted on this occasion.  | Noted     |
| 5   | <b>Housing acquisition project – What’s the plan?</b>   |           |
| 5.1 | JP set out key elements of the scheme: <ul style="list-style-type: none"> <li>▪ HTS (H&amp;R) Ltd will act as an exemplar private landlord</li> <li>▪ Housing provision will be for social rentals, affordable rentals and market rentals</li> <li>▪ Overall a model of 1:1:1 social, affordable and market provides a positive yield return on investment</li> </ul> |           |

|            |   |       |
|------------|---|-------|
|            | <ul style="list-style-type: none"> <li>▪ Borrowing to purchase properties will come through a loan agreement with our Shareholder with interest being paid at a commercial rate</li> <li>▪ Tenancy arrangements will be through assured tenancies</li> <li>▪ Secure tenancies will not be offered</li> <li>▪ For the pilot HTS (H&amp;R) Ltd will commission work packages from HDC through service level agreements. This will cover services such as property search and acquisition, legal conveyancing, lettings sign ups and housing management. HTS (H&amp;R) Ltd will also commission work with HTS (P&amp;E) Ltd to refurbish, compliance check and routinely maintain the properties it purchases.</li> <li>▪ Regular reporting of key delivery aspects will be reported to Board to allow assessment of the project's success.</li> </ul> |       |
| <b>5.2</b> | The Board noted that there needed to be some key criteria by which success of the pilot can be measured against.  | Noted |
| <b>5.3</b> | The Board further noted that a small sample of 6 properties would not normally be considered as an appropriate sample of properties to judge the success of the scheme or otherwise.  | Noted |
| <b>5.4</b> | The Board noted that a sample of say 100 properties would more represent the likely outcomes that would arise. Indeed, this has been shown to be the case where other LA's have taken such schemes forward.   | Noted |
| <b>6</b>   | <b>Articles of Association</b>  |       |
| <b>6.1</b> | <p>The Board noted the following points:</p> <ul style="list-style-type: none"> <li>▪ The wording of the legal document needed to be presented in gender neutral terms</li> <li>▪ Noted that the business plan as approved by the Councils Cabinet was generally appropriate for this initial pilot project, but it needed significant work to set out fully the scope of activity envisaged by the Board.</li> <li>▪ That the specific need to include for innovation within the Articles are included.</li> </ul>   |       |
| <b>6.2</b> | JP to take forward these actions.   | JP    |
| <b>6.3</b> | With the points being taken onboard the Board agreed to adopt the Articles of Association for HTS (H&R) Ltd   | Noted |
| <b>6.4</b> | JP to provide Directors with a copy of the Business plan as approved by HDC Cabinet   | JP    |

|   |   |   |
|---|---|---|
| <p><b>7</b></p> <p><b>7.1</b></p> <p><b>7.2</b></p> <p><b>7.3</b></p> | <p><b>Interim Scheme of Delegation (SoD)</b></p> <p>The Board noted that whilst the Scheme of Delegation as presented was adequate for this pilot project it would not be appropriate for the wider scale of activity envisaged for the Company. The Board therefore required that the SoD be reviewed as work scope is developed. JP to ensure this requirement is actioned</p> <p>With this requirement the Board approved the Scheme of Delegation.</p> <p>Councillor John Strachan abstained from agreeing this item.</p>   | <p>JP</p> <p>Noted</p> <p>Noted</p>             |
| <p><b>8</b></p> <p><b>8.1</b></p> <p><b>8.2</b></p> <p><b>8.3</b></p> | <p><b>Assured Tenancy agreements, social rent, affordable rent and market rent</b></p> <p>Board Directors requested more time to consider the detail of these and it was agreed that a final decision will be made at the Board meeting scheduled for 13<sup>th</sup> August 2020.</p> <p>Board Directors to provide any comments they may have in writing to JP to allow these to be collated in advance of Board. Board papers for next meeting will be issued on 6<sup>th</sup> August.</p> <p>Councillor Charles made the following points in respect of content within the agreement:</p> <ul style="list-style-type: none"> <li>▪ Late payment to be defined in more detail</li> <li>▪ Interest on late payment to be defined in more detail</li> <li>▪ Recharges to be more specific on administrative charges that will be applied</li> <li>▪ Clarity on landlord covering building insurance and tenant needing to cover content insurance to be made</li> </ul> | <p>Note</p> <p>Board Directors</p> <p>Noted</p> |
| <p><b>9</b></p> <p><b>9.1</b></p> <p><b>9.2</b></p>                   | <p><b>Initial property acquisitions</b></p> <p>The Board noted the report and agreed for formal offers to purchase the following properties to be actively progressed:</p> <ul style="list-style-type: none"> <li>▪ 22 Bynghams at £277,500 (£2500 under asking price) for Social rent</li> <li>▪ 125 Red Willows at £272,500 (£7500 under asking price) for Social rent</li> <li>▪ 154 Coalport Close at £287,500 (£2500 under asking price) for Market Rent</li> </ul> <p>The Board noted that 88 The Bynghams has now been withdrawn from the market.</p> <p>The Board noted that further appropriate properties are</p>   | <p>Note</p>                                     |

|             |  |      |
|-------------|--|------|
| <b>9.3</b>  | actively being sought and will be presented to the Board for approval to purchase as appropriate.  |      |
| <b>10</b>   | <b>Director and Officers Insurance</b>   |      |
| <b>10.1</b> | The Board noted the report which confirmed that appropriate insurance cover is now in place to support the decisions made at this Board meeting and going forward. | Note |
| <b>11</b>   | <b>Any Other Business</b>  |      |
| <b>11.1</b> | Noted that next HTS (H&R) Ltd meeting scheduled for 4 <sup>th</sup> August to be cancelled.  | JP   |
| <b>12</b>   | <b>Date of Next Meeting</b>  |      |
| <b>12.1</b> | Thursday 13 <sup>th</sup> August at 6.00pm via Zoom conference call.   | Note |