

NOTTINGHAM CITY HOMES LIMITED
GROUP BOARD MEETING



Date: 5 October 2023

Time: 6.20pm

Place: Room LH1.32, 1st Floor, Loxley House.

Directors of the Board are requested to attend the above meeting on the date and at the time and place stated to transact the following business:

A handwritten signature in black ink, appearing to read "George Pashley".

George Pashley
Head of Governance and Compliance

AGENDA

1	INTRODUCTORY ITEMS	Time
1.1	WELCOME	6.20
1.2	APOLOGIES FOR ABSENCE	
1.3	DECLARATION OF INTERESTS	
1.4	ITEMS FROM THE CHAIR	
1.5	MINUTES OF THE MEETING HELD 13 JULY 2023	6.25
1.6	MATTERS ARISING	
2	ITEMS FOR DISCUSSION AND DECISION	
2.1	GOVERNANCE REPORT Head of Governance and Compliance – George Pashley	6.30
2.2	FINANCE REPORT Assistant Director of Finance - Andrew Berry	6.40
2.3	NCH MANAGEMENT UPDATE Executive Assistant – Mark Lawson	7.10
2.4	CORPORATE RISK REGISTER – ANNUAL REVIEW Head of Governance and Compliance – George Pashley	7.30
3	CONFIDENTIAL ITEMS	
3.1	CONFIDENTIAL MINUTES OF THE MEETING HELD ON 13 JULY 2023	7.40

- 3.2 NCC UPDATE ON NCH ACTIVITY (incl Service Contract and Ombudsman Reports) 7.50
Director of Strategic Housing – Kevin Lowry

4 CLOSING ITEMS

- 4.1 ANY OTHER BUSINESS
- 4.2 DATE OF NEXT MEETING –9 NOVEMBER 2023

Members wishing to raise matters under Any Other Business should note that items will only be accepted if referred to and agreed by the Chair of the Board prior to commencement of the Meeting. Members wishing to submit their apologies should do so by contacting boardmeetings@nottinghamcityhomes.org.uk This agenda was issued by SharePoint on

Distribution List:

All Group Board Members:

Sam Whitworth

Kevin Lowry

Ian Edward

NCC Members

Report Authors

* Members of the public wishing to attend this meeting should email boardmeetings@nottinghamcityhomes.org.uk for joining details

NOTTINGHAM CITY HOMES LIMITED**THE GROUP BOARD****MINUTES** of the **PUBLIC MEETING** held on **13 JULY 2023** via Microsoft Teams**Board Members**

Madeleine Forster (Chair)
 Sam Webster
 Kieran Timmins

Also in Attendance:

Andrew Berry (AB)	Assistant Director (Finance)
Mark Lawson (ML)	Executive Assistant
Kevin Lowry (KL)	Strategic Director of Housing
Tracy Martin (TM)	Group Accountant
George Pashley (GP)	Head of Governance and Compliance
Mona Sachdeva (MS)	Company Solicitor
Tim Shirley (TS)	Head of Commercial Property & Contract Management
Charlie Martin (CM)	Bishop Fleming (for Item 7)

1 WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS

1.1 The Chair extended a warm welcome to attendees.

2 APOLOGIES FOR ABSENCE

2.1 Apologies were received from Vicky Evans.

3 DECLARATIONS OF INTEREST

3.1 None.

4 ITEMS FROM THE CHAIR

4.1 The Chair stated that she was meeting with NCC next week to discuss their representation on the NCH Board. This would be for up to two members, and the Chair would be involved in their recruitment. Interviews for a Group and NCH EL Board Member with asset disposal skills would take place next Wednesday and Thursday. The Group Board appraisal process was also due to be rolled out over the next week. NCH EL and Group Board meetings were being moved back to 5 October subject to Board Member availability.

4.2 The Chair had recently attended the CIH Conference in Manchester.

4.3	A review of the NCH Articles and Standing Orders would be required to reflect changes arising from e.g. the transition. A six monthly review of Board Member pay would also take place.
	The Board AGREED for a review of Articles, Standing Orders and Board Pay to be brought back to the next meeting.
5.	MINUTES OF THE MEETING OF 30 MARCH 2023
5.1	The minutes of the meeting held on 30 March 2023 were agreed as a true record. The Board agreed to set up an action log for future meetings.
6.	GOVERNANCE REPORT
6.1	Michael Savage has resigned his position from the NCH Board to focus on his new role as an NCC Councillor. It was noted that NCH RP had agreed to pay its Board Members at the same levels as the Group Board. An update was also received from other Boards and Committees as well as details of the actions taken under the Urgency Procedure since the last meeting.
6.2	ARCC had recently lost two of its members following the transition of NCH back into NCC with both ALMO and NCC representatives no longer required. The Board agreed that in these circumstances and given the reduced remit of the NCH Group it would be helpful to reduce the ARCC membership from 6 to 5 and quorum from 3 to 2.
	The Board
	1. NOTED the resignation of Michael Savage and AGREED for a thank you letter to be sent to him
	2. NOTED the update from Boards and Committees and the action of the RP since the last meeting.
	3. NOTED the following actions taken under the Urgency Procedure since the last meeting <ul style="list-style-type: none"> • Agreement for NCH RP to pay its Board Members • Appointment of Madeleine Forster and Kieran Timms as NCH EL Board Members. • Appointment of the remainder of the Group Board Members onto the NCH EL Board.
	4. AGREED to reduce membership of ARCC from 6 to 5, and quorum from 3 to 2.
7.	AUDITOR PRESENTATION ON STATUTORY ACCOUNTS/ FINANCE REPORT 2022/23 – YEAR END ACCOUNTS AND 2023/4 BUDGET
7.1	CM from Bishop Fleming attended for this item. With regards to the Statutory accounts, he confirmed that the transactional testing was almost complete and had revealed no compliance issues and the Key Items for Discussion Document (KIDD) had been circulated

	with the Board papers. The KIDD highlighted the risks and priorities for the three NCH entities and had already been presented to ARCC. The two key matters remaining from the audit perspective were the accounting treatment of the HRA surplus repayment (stated as £18.5m), and the material uncertainty surrounding the going concerns of the residual group.
7.2	AB stated that he had been unable to get a meeting with Ross Brown (NCC Corporate Director Finance and Resources) with regard to the accounting treatment to recognise the HRA surplus but progress had been made in pursuing this being incorporated into the NCC Letter of Assurance. The letter, which will still need to be approved by Ross Brown, will set out the treatment in both NCC and NCH (NCC being a fully impaired debt and NCH being a contingent liability). The work being undertaken by Mazars on cashflow will be a key component in the submission to the auditors and Board Directors in the recognition of NCH being a going concern for a period of not less than twelve months from the signing of the accounts. This will need to be signed off by Board before the completion of the Statutory Accounts. The Chair thanked officers for the work they were undertaking in getting the accounts into an agreed position with NCC.
	The Board noted
	1. the NCH Group financial position at the end of 2022/23 within the Draft Statutory Accounts and the wording within the associated Strategic and Directors Reports;
	2. the two issues raised around the HRA Surplus Repayment and the significant uncertainties with regards to going concern and the steps being undertaken within Finance to address the external audit issues to achieve Statutory Accounts sign off ; and
	3. the Residual Group Budget for 2023/24 and the review that will be taking place for a projected 2023/24 forecast.
8.	ANY OTHER BUSINESS
8.1	Board Members confirmed there was no further business.
9.	DATE OF NEXT MEETING
9.1	To be confirmed.
	Signed..... Dated.....

ACTION LOG

	ACTION	OWNER	COMPLETION DATE	UPDATE
1.	Review of Articles and Standing Orders	GP	5 October 2023	NCC request for NCH to update and propose changes. Work commenced with GP and MS.
2.	Review of Board Pay	GP	5 October 2023	Questionnaire distributed
3.	Write thank you to Michael Savage	GP/MF	21 July 2023	Completed

NOTTINGHAM CITY HOMES

REPORT OF THE HEAD OF GOVERNANCE AND COMPLIANCE

THE GROUP BOARD
5 OCTOBER 2023

GOVERNANCE REPORT

1 EXECUTIVE SUMMARY

- 1.1 This report sets out the governance matters requiring consideration and approval by the Board since the last meeting.
- 1.2 The Board is asked to note the appointment of Madeleine Forster as Group Board Chair and agree to appoint her until the 2024 AGM subject to NCC approval. The Board is also asked to agree Vicky Evans as the NCH RP representative to the Board and Kieran Timmins as Chair of ARCC, and the ARCC membership for the next year. Board also needs to confirm NCH EL membership for the next twelve months.
- 1.3 The expenses paid over the financial year 2022-2023 are reported to Board for information. Board is also asked to put in place a new approvals process to reflect events at this time.
- 1.4 There have been no items taken through the Urgency Procedure since the last meeting and the outcomes of the recent Board Appraisal and Effectiveness processes are included for information as well as the 2024 Board Calendar.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 **Notes** the appointment of Madeleine Forster to the position of Group Board until 31 March 2024 and **agrees** to extend the appointment to October 2024 subject to NCC approval.
- 2.2 **Agrees** to the appointment of Vicky Evans as the RP representative on the Group Board for one year.
- 2.3 **Agrees** to the appointment of Kieran Timmins as ARCC Chair and Cam Pearson, Jennie Willock and Karen Mutton as ARCC members for a period of one year.
- 2.4 **Agrees** to the appointment of Madeleine Forster, Kieran Timmins, Vicky Evans, Sam Webster and Mark Martin to the NCH EL Board for a period of one year.
- 2.5 **Notes** the Board Member expenses for 2022-23.

- 2.6 **Agrees** to the approval processes set out where Board Members and the Secretary can sign legal documents electronically, and the Company Solicitor can sign relevant notices, and payments up to £10k.
- 2.7 **Notes** there have been no actions taken under the Urgency Procedure since the last meeting.
- 2.8 **Notes** the outcomes of the recent Board Appraisal and Effectiveness processes, and the 2024 Board Calendar.

3 **REPORT**

3.1 CHAIR

- 3.1.1 In accordance with Standing Orders, the Board is required to elect a Chair of the Board at its first meeting following the AGM. Madeleine Forster's appointment to the Group Board Chair position was continued in March 2023 and her contract has now been extended to 31 March 2024. It is expected that the work of the Group will continue beyond this period although this will be subject to NCC approval. The Board is therefore recommended to appoint Madeleine as Chair for the period up until the next AGM in October 2024 subject to that approval being granted.
- 3.1.2 The Board is asked to **note** the appointment of Madeleine Forster to the Group Board Chair position and **agree** to extend this for the period up until the 2024 AGM subject to NCC approval being given.

3.2 NCH RP APPOINTMENT TO THE BOARD

- 3.2.1 NCH RP has agreed to recommend Vicky Evans as its appointment to the Board for the next year and the Board is asked to agree this appointment.
- 3.2.2 It is **recommended** that Vicky Evans be appointed as the NCH RP's representative on the Group Board for a term of one year.

3.3 AUDIT, RISK AND COMPLIANCE COMMITTEE CHAIR AND MEMBERSHIP

- 3.3.1 In accordance with Standing Orders, the Board is required to elect a Chair to the Audit, Risk and Compliance Committee (ARCC) at its first meeting following the AGM, and related Committee members.
- 3.3.2 The Board is asked to **agree** Kieran Timmins being appointed as Chair of ARCC and Cam Pearson, Jenny Willock and Karen Mutton are appointed as full members for a term of one year.

3.4 NCH EL

- 3.4.1 The Board is required to appoint members to the NCH EL Board for the next twelve months
- 3.4.2 The Board is asked to **agree** to appoint Madeleine Forster, Kieran Timmins, Vicky Evans, Sam Webster and Mark Martin to the NCH EL Board for a period of twelve months.

3.5 BOARD MEMBERS' EXPENSES

- 3.5.1 Board Members are paid reasonable expenses as detailed in the Board Members' Expenses and Remuneration Policies. In accordance with the Company Standing Orders, the Board is required to review the Board Members expenses on an annual basis. For the period 1 April 2022 to 31 March 2023 the following expenses were paid:

Expenditure	Cost
Travel (Public Transport & Mileage)	- £499.05
Payments to Board Members	- £13,576.54
Recruitment	£14,685
Catering	£360
Total	- £29,120.59

- 3.5.2 The Board are asked to **note** the Board Members expenses for the year.

3.6 BOARD MEMBER APPROVALS

- 3.6.1 Since the Covid-19 pandemic the Board has waived related Standing Orders and agreed to make all approvals electronically. It delegated the final execution of official documents to the previous executive team.

- 3.6.2 In the current climate, where there is no longer an EMT and with a Service Contract still to be agreed with NCC, Board should review this and put more suitable arrangements in place. While approvals can still be made electronically, Board should consider reverting to previous arrangements where approvals were made by two Board Members or by a Board Member and Secretary where appropriate

- 3.6.3 In addition, in the absence of a lead officer for the NCH Group, someone needs to be appointed to sign off Notices Seeking Possession, legal documents and a certain level of expenditure for the Group. Given the majority of this work falls to the Company Solicitor, it is recommended that postholder is given delegated authority to serve Notices Seeking Possession, other legal documents and overall expenditure of up to £10k relating to the NCH Group until further notice.

- 3.6.4 The Board is asked to **approve** the delegation of the execution of Company documents to any two Board Members or a Board Member and Secretary as required and **agree** to Standing Orders being amended to increase the Company Solicitor's powers as set out above.

3.7 ACTION TAKEN UNDER THE URGENCY PROCEDURE

- 3.7.1 Board is asked to **note** that no actions have been taken under the urgency procedure since the last meeting.

3.8 BOARD MEMBER APPRAISALS

- 3.8.1 The Board has recently undertaken appraisals for its members. The same process is currently being rolled out for the RP Board. The Group Chair appraisal was carried out externally.

3.8.2 Key targets have been set for the Chair this year around developing an Asset Disposal Strategy, resolving staffing issues with NCC, working to improve relationships with Councillors and providing assurance around data. Targets for other Board Members are set out below for information

- Ensuring the Board reflects on performance and drives improvement
- Ensure the Board understands its political environment
- Developing a strategic vision for the Group
- Taking the NCH lead role in relation to the RP
- Represent the RP on the Group board and developing a plan to ensure the RP is active
- Lead on supporting officers to look at social value and how best to articulate this
- Redefine the remit and workplan of the Audit Risk and Compliance Committee
- Support officers and the board in the development of the business plan
- To develop a presentation to explain the cash flow model and its implications once that is ready to be shared.

3.8.3 The Board is asked to **note** progress on Board Member appraisals.

3.9 REPORT FROM BOARDS AND COMMITTEES

3.9.1 The NCH RP Board approved the Annual Report at its meeting on 12 September. It also approved in principle the allocation of up to £30k to contribute to the post of a Chief Operating Officer for the NCH Group (half of the estimated cost of the post) as NCH RP is expected to take up at least 50% of the work required of the postholder.

3.9.2 The Board was informed that the Service Contract between NCC and NCH remains unsigned. No payments for services provided have been made to NCC which means that the HRA is effectively funding non-HRA NCH staffing activity which the Council has now recognised. The Chair agreed to write to NCC expressing his concern about the situation.

3.9.3 The Board were also informed of concerns over the delivery of some services from NCC, specifically around repairs and voids. This was leading to a loss of revenue which has been highlighted as a significant risk. The Chair also agreed to write to NCC detailing his concerns about this.

3.9.4 The Board noted the annual report on Customer Complaints which provided a very positive review in terms of a reduction in the number of tenants feeling dissatisfied and making a formal complaint. Where these are investigated, there has been an improvement in the time taken to respond. Complaints about Temporary accommodation had halved from the previous year.

The Board is asked to NOTE the update from the recent NCH RP meeting.

3.10 BOARD CALENDAR, EFFECTIVENESS AND OTHER MATTERS

3.10.1 The Board Calendar for 2024 as previously circulated is attached at Appendix 1.

- 3.10.2 Board is asked to note that a Board Pay Survey has now been circulated. The response will be reported to December's meeting.
- 3.10.3 NCH needs to update its constitutional documents to reflect changes to pay and other arrangements made over the past twelve months. NCC has asked NCH to provide suitable proposals. Work on this has now commenced.
- 3.10.4 A review of Board Effectiveness was completed at the same time as the appraisal process. Overall Board Members were happy with the level of Board effectiveness including management of the Board by the Chair although there were some areas highlighted for further action
1. Directors may not have the full skills available to run the Company
 2. We now have no independent advisors or directly employed officers and so we are reliant upon the services that NCC officers provide which on occasions can be far from ideal
 3. There is still work to be done to identify the long-term vision for the Group and NCH RP and ensure long term Governance structures are fit for purpose.
 4. People have not had adequate training during their time with Company, or adequate appraisals
 5. Board reports could be more concise
- 3.10.5 Since the survey took place an NED with Asset Disposal skills has been appointed to the Group and NCH EL Boards. Two further NCC appointments are expected shortly. Full appraisals have taken place. The Service Agreement with NCC has still to be signed off and this has been escalated to the Leader of the Council. An outcome is expected shortly. An Asset Disposal Strategy has been developed although work still needs to be done on Group and NCH RP Business Plans. A review of the Board training program is under way. Further updates will be provided at the next meeting.

4. FINANCIAL, LEGAL AND RISK IMPLICATIONS

4.1 Financial Implications

- 4.1.1 Board member allowances and expenses are included in the report.

4.2 Legal Implications

- 4.2.1 All of the initiatives within this report are carried out to ensure compliance with good practice and legislation including the Companies Act 2006 and NCH's Governance processes.

4.3 Risk Implications

- 4.3.1 There are no risks arising from this report.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

5.1 The contents of the report will have a significant impact for NCH achieving its corporate objectives, set out in the Corporate Plan and associated high level corporate commercial, financial and business plans.

6 EQUALITY IMPACT ASSESSMENT

6.1 Has the equality impact of these proposals been assessed?
 Yes (EIA attached)
 No (this report does not contain proposals for significant changes to process at this stage).

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

7.1 NCH Standing Orders and Group Articles.

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DATE: 21 SEPTEMBER 2023

NOTTINGHAM CITY HOMES BOARD AND COMMITTEE CALENDAR 2024



	Grp Board	NCH RP	NCH EL	ARCC
Month				
Jan				15 Jan
Feb	1 Feb	20 Feb	1 Feb	
Mar	28 Mar*			11 Mar
Apr				
May		14 May		
Jun	27 Jun		27 Jun	17 Jun
Jul				
Aug				
Sep		10 Sep/ AGM		
Oct	3 October/ AGM		3 October / AGM	7 Oct
Nov	7 Nov*	12 Nov		
Dec	12 Dec		12 Dec	

*Group training session for all Board/Committee members.

NOTTINGHAM CITY HOMES BOARD AND COMMITTEE CALENDAR 2024



Meetings date/times

Group Board, Thursdays, 5.30pm

Board Training days - Thursdays, 5.30pm

NCH EL – Thursdays, 4.30pm

NCH RP – Tuesdays, 2.30pm

ARCC – Mondays, 5.30pm

Bank Holidays

New Year – Monday 1 January

Good Friday – 29 March

Easter Monday – 1 April

Early May Bank Holiday – Monday 6 May

Spring Bank Holiday – Monday 27 May

Summer Bank Holiday – Monday 26 August

Christmas Day – Wednesday 25 December

Boxing Day – Thursday 26 December

	ITEM: 2.2
NOTTINGHAM CITY HOMES	
	THE GROUP BOARD
REPORT OF THE INTERIM ASSISTANT DIRECTOR OF FINANCE	05 OCTOBER 2023
FINANCE REPORT	
1	EXECUTIVE SUMMARY
1.1	<p>There are two key areas within this Finance Paper that are closely linked and require Board attention and approval:</p> <p>The Asset Disposal model has now provided an evidence-based financial position that requires Board discussion and a formal approach by Board to NCC:</p> <ul style="list-style-type: none"> ○ The requirement to dispose of assets to settle the full agreed HRA Surplus Repayment, without increase in temporary accommodation recurrent costs to NCC, is not feasible. ○ The model sets out an approach that would remove any impact to NCC temporary accommodation, but significantly reduces the amount available to settle the HRA surplus repayment. <p>With no formal discourse between NCC and NCH Board acknowledging the position and exploring a jointly acceptable revised agreement, the 22/23 NCH statutory accounts will have to recognise the £18.5m debt within the balance sheet to avoid a breach of accounting standards and a qualified audit opinion. This requires Board approval but there are minimal alternatives at this late stage that will facilitate the sign off of the accounts.</p> <ul style="list-style-type: none"> ○ The NCC Shareholder representative will not agree to the existing contingent liability disclosure.
1.2	<p>The Period Five and Forecast Year End Position is set out in section 5. The year-end forecast is a loss of £48k, but this is after including costs for a COO role, Arboretum overhead costs of £100k and excessive higher repairs that are being caught up. A more detailed business plan and budget assessment for 24/25 can be compiled once a more certain direction on asset disposal has been agreed with NCC and there is greater clarity around the residual group.</p>
1.3	<p>The independently led cashflow review by Mazars is detailed in section 6. The cashflow demonstrates a positive cash balance at the end of 23/24 of £7.4m</p>
1.4	<p>The end of the paper includes some write off and payment requests that require Board approval.</p>
2	RECOMMENDATIONS
	Board is asked to

2.1	Agree a position on the asset disposal model and to seek agreement from NCC to acknowledge the group position and a compromised settlement (Section 3).
2.2	<p>Agree the position below on the 22/23 Year end accounts (Section 4)</p> <ul style="list-style-type: none"> • The Statutory Accounts are amended to include the £18.5m as an exceptional item and show as a balance sheet provision. <ul style="list-style-type: none"> ○ The NCC Shareholder representative will be authorised to approve the accounts. ○ The external audit opinion will revert to the same as last year, being a material uncertainty over going concern, but validating the directors view that the company is a going concern for the foreseeable future being a period of not less than twelve months from the date of signing. ○ There will be no future tax implication should the amount owed be reduced in future years. ○ There are no other changes from the accounts circulated at the previous meeting. • That the delayed AGM is reconvened for the Board Meeting on 9th November to approve the amended Statutory Accounts.
2.3	With regard to the Period 5 accounts update, note the financial position as at P5 and specifically the increase in repair costs, arboretum running costs and the impact that 22/23 transactions continue to have on the outturn position for the company and agree the NCH Ltd full year forecast, adopting this as the full year budget latest for the company.
2.4	With regard to the Forecast 2023/24 cash position, note the forecasted positive cash position of 7.4m at March 2024 for NCH Ltd on settlement of remaining 22/23 transactions.
2.5	Agree the transfer of Nottingham on Call debt and associated provision to NCC now that these services have transferred and the write off of aged former tenancy rent debt associated with properties that transferred to NCHEL ownership in 20/21.
2.6	Agree the initial stages of the sale process for the Arboretum, comprising of a formal request to NCC to modify the covenants to support the sale process, preparation of a disposal plan, including engagement with estate agents and solicitors to ascertain formal quotes and valuations for disposal.
2.7	Agree the two payments in relation to NCC fees 21/22 £1,583,300 and 22/23 £1,452,199
3	ASSET DISPOSAL
3.1	The Asset Disposal Model has been created and the findings and recommendations to the Board are included in this paper for discussion.

3.2	The two key financial areas the model addresses are the NCC objectives of returning the previously agreed HRA Surplus Repayment without impact to the temporary accommodation funded by NCC.
3.3	<p>The following key assumptions have been made within the Model:</p> <ul style="list-style-type: none"> • The model is based on a property-by-property income and cost allocation basis. This is aligned to the cohort costings in the original 23/24 budget, but includes a more detail exercise on rental income, lease costs, loan and interest costs and depreciation. • It has been reconciled back to the original headline 23/24 budget by cohort, albeit with the intercompany leases and cross charges 'removed' so it gives a cleaner picture of the finances for each property. • Source working papers have been included within the workbook for reference. • The model allows a choice of properties to be selected for disposal and will provide indicative executive figures for the HRA Surplus repayment, on-going residual group P&L and an implied incremental cost to NCC for any homeless bed and breakfast. • The model provides guidance on the financial aspects of the decision-making process and there are wider social and reputational implications that need to be considered. Once a future direction has been agreed with NCC, further detail assessment would be needed to verify numbers produced by the model.
3.4	The model's outputs are attached in appendices one, two and three, with additional background information within appendix four. Appendix One – Summarises the model findings by cohort and the impact of each, were the properties to be disposed of as part of the disposal process. The model has been reconciled back to the initial work undertaken.
3.5	<p>Appendix Two – This is referred to as 'Option One' and demonstrates that to achieve the full HRA Surplus Repayment, the majority of the group's assets would need to be sold:</p> <ul style="list-style-type: none"> • It creates an HRA repayment fund in excess of £21m, which would cover the current £18.5m, plus any additional interest due for 22/23 and during the period of repayment, plus any amounts to be added to the figure from the 22/23 year end. • The residual group after the sales would be a small RP with a turnover of c. £5m and a break-even position after some overhead savings. • The implication for NCC temporary accommodation costs is an increase in excess of £11m.
3.6	<p>Appendix Three - This is referred to as 'Option Two' and demonstrates the property disposals that could be made to avoid any adverse impact on the NCC temporary accommodation budget. The sales would be the Arboretum, all NCH EL Market Rent, Masson House and Ryehill House:</p> <ul style="list-style-type: none"> • It creates a potential HRA Surplus Repayment fund of £8.4m, which is less than the overall amount being sought by NCC

	<ul style="list-style-type: none"> • The residual group after the sales would be a trading group with a turnover of c. £10m, delivering an annual profit of just over £0.5m, with a positive cashflow. • The implication for NCC temporary accommodation costs is a nil. <p>Option Two can be further developed to both improve the repayment refund and improve the residual group portfolio resilience to repairs and maintenance. An example is shown on Appendix One, reference Two A – which demonstrates the impact of swapping / selling 34 dispersed properties in exchange for the retention and repurpose of Ryehill and Masson. This would:</p> <ul style="list-style-type: none"> • Increase the potential HRA Surplus Repayment fund to £8.9m • Reduce the repairs and maintenance burden in future years for the group • Keep the NCC temporary accommodation costs at nil.
3.7	<p>Whilst the officers acting on behalf of NCH and certain Board Members have discussed some potential disposal positions and options moving forward within the group, and the varying outcomes from these, there has been no formal correspondence and agreement with NCC regarding these options. Consequently, NCC remain of the view that the full HRA Surplus Repayment will be repaid, without impact to the Temporary Accommodation.</p>
3.8	<p>Once the future position has been clarified, further detail planning can be undertaken around the optimum solution and developing a longer term business plan and budget process around a more certain residual group structure.</p>
3.9	<p>Option One demonstrates the group cannot deliver both the HRA Surplus Repayment as it stands, without impact to the delivery of NCC Temporary Accommodation in excess of £11m a year (recurrent). The residual business would be just the RP, leasing properties from the private sector. Clearly this is not a viable option.</p> <p>Option Two demonstrates to fund a partial repayment of c.£8.4m with a nil impact to NCC temporary accommodation costs, the disposals would be limited to the Arboretum, Market rental and Masson and Ryehill. The residual business would be larger, keeping the existing RP “in tact” plus the affordable housing units. Whilst viable, this headlines that NCH does not have capacity to make repayment in full – which is a risk that has been flagged with the IAB since the middle of 2022.</p> <p>here are permutations of the latter option which could keep the better properties in the group and swap out properties with higher maintenance liabilities – but they would still indicate that only partial repayment to NCC is possible. However, further work on this is on hold until a formal agreement is reached with NCC in that they acknowledge the group position and the need for a compromised settlement.</p>
3.10	<p>The lack of a formally agreed revised position with NCC is having an impact upon the treatment of the HRA Surplus Repayment within the 22/23 Group Accounts (covered in section 4), where both Bishop Fleming and Grant Thornton external auditors are of the opinion that NCH Group is in breach of the accounting standards in treating the repayment as a contingent liability, rather than an actual</p>

	debt. This is predicated upon the existing official agreement and written acknowledgement from previous NCH Executive and Directors in recognising the £18.5m.
3.11	Through conversations around the need to engage with NCC on the letter of assurance for the 22/23 statutory accounts and engagement with Ian Edward, NCC finance officers are informally aware of the NCH group position. There is a likelihood that were a proposal be made to NCC for a significantly lower HRA Surplus Repayment (per Option Two), NCC could 'request' the shortfall be made up by an assignment of some of the remaining equity on the retained properties to balance to the £18.5m, meaning the amount is still <i>settled</i> , but through a mix of cash and equity.
3.12	Emerging model caveat: The model assumed a liquid cash availability of £1m. This protected cash for a residual restructure, however, were the disposals enforced to 'sell everything', this figure could be slightly higher (c. £4m - £5m). Whilst it means slightly less assets would be disposed of, avoiding some of the increase in NCC temporary accommodation costs, the recurrent costs would still be likely around the £7m level. This could be addressed in a short remodel following the Board Meeting; however it does not change the underlying requirement for NCC to acknowledge the NCH position and agree to looking at alternative resolutions to receiving the full HRA surplus repayment.
3.13	The Board is asked to Agree a position on the asset disposal model and to seek agreement from NCC to acknowledge the group position and a compromised settlement.
4	2022/23 STATUTORY ACCOUNTS UPDATE
4.1	The audit findings and review of the Statutory Accounts were submitted to the previous Board Meeting and ARCC. The outstanding matters from that meeting are listed below with corresponding updates. Nathan Coughlin, the Bishop Fleming Partner, will again be in attendance for this section of the Board Meeting to take any questions arising.
4.2	<p>A significant matter has arisen since the previous Board Meeting that has delayed the completion of the NCH Group Accounts and led to a potential qualified audit opinion.</p> <ul style="list-style-type: none"> • The wording used within the NCC letter of assurance acknowledges the intended treatment of the HRA Surplus Repayment as a contingent liability by NCH but does not acknowledge the amount of the repayment could be less than the £18.5m • The only formal correspondence between the parties acknowledges the amount owed and agrees the figure as £18.5m. • Consequently, Bishop Fleming are of the opinion amount owed is known and should be posted within the accounts to remain within the accounting standard. This opinion is also taken by Grant Thornton, the NCC auditors. • A meeting was arranged with NCC and Bishop Fleming to discuss and try to resolve. This is detailed in section 4.3

4.2	<p>The following are outstanding Matters from the previous Board Meeting, to be resolved prior to Board sign off: -</p> <ul style="list-style-type: none"> • Meeting with NCC to discuss the HRA Repayment presentation in the accounts – Took place on 27th September – Outcome detailed in section 4.3 • Conclusion of final testing from Bishop Fleming and resolution of any remaining Bishop Fleming queries - Completed • Inclusion of any final adjustments to the statutory accounts and associated tax update – Completed, pending the change to the treatment of the HRA Surplus Repayment • Review of the disclosure notes to the accounts and general tidying. Completed. • Receipt of the letter of assurance around going concern support from NCC to the group – This remains outstanding, but will require amendment in light of the charge to the HRA Surplus Repayment – detailed in section 4.5 • Receipt of the independent (Mazars) cashflow projections for NCH, NCHRP and NCHEL. Completed. • Sign off assessment from Bishop Fleming for the residual activity within each entity to be either a valid going concern or to be treated on the basis other than a going concern. Completed. NCH and NCH RP have been prepared as a going concern, whilst NCH EL has been prepared on a basis other than going concern. • Final review and sign-off of the financial statements by Bishop Fleming. NCH RP are complete. NCH EL are being approved at AGM on 5th October, NCH Group will be approved and signed at the revised AGM on 9th November 2023 • September 2023 Board Sign Off Meetings, including approval for each business to be a going concern (or in the case of NCHEL, to be treated on a basis other than going concern) and identification of Director nominated to sign each of the accounts. NCH RP were signed and filed at the end of September. NCH EL are being approved at AGM on 5th October, NCH Group will be approved and signed at the revised AGM on 9th November 2023
4.3	<p>The presentation of the HRA Surplus Repayment within the 2022/23 NCH Group Accounts has been reviewed at a meeting on 27th September 2023 with Ross Brown NCC s 151 Officer and Bishop Fleming, NCH Auditors. The two options are to accrue the liability within the accounts, showing an in-year loss, or to disclose the figure as a contingent liability. Summary outcome below:</p> <ul style="list-style-type: none"> • Bishop Fleming’s stance on the contingent liability of £18.5m in the statutory accounts for 22/23 remains that it does not conform to the accounting standard FRS102. A contingent liability is where the debt has not been ascertained (for example, where an amount is not yet known, say, pending a court ruling) but in this instance, there is paperwork by both parties agreeing the figure. • This was debated at the above meeting and the key point is that the only official exchanges between NCC and previous NCH Directors

	<p>acknowledges the debt due to NCC of £18.5m and this forms the basis of both Bishop Fleming and NCC auditors, Grant Thornton, opinions in remaining consistent with the accounting standard.</p> <ul style="list-style-type: none"> • Because the official approach to NCC by the Board regarding an asset disposal proposal to repay a lesser settlement of the debt (as detailed in section three above) has not yet been made, the only formal papers between the parties confirm the £18.5m. Whilst NCC have an informal awareness of the potential approach from the Board, it is not an official recognition at this time. • If the entry in NCHs accounts remains a contingent liability, the audit qualification will remain and the NCC Shareholder Representative will not approve the accounts at the AGM (given the qualification is in the opinion of the auditors, the accounts breach an accounting standard) <p>The resolution to resolve this position and file the accounts before the submission deadline is therefore to amend the accounts to include the £18.5m as a cost and a balance sheet provision. This will require Board approval, but in the meantime the process to update the accounts will be commenced given the workload involved in terms of changes to the accounts, the existing director narratives and notes to the accounts, changes to the NCC letter of assurance and getting it back signed, securing the updated audit opinion, validated by a second partner and incorporating any changes to the wording required and having this all in place for the 5th October is not feasible. The AGM for the group is therefore requested to move to the 9th November Board, at which the accounts will be completed and the NCC Shareholder Representative formally appointed.</p>
4.4	<p>The NCC Letter Of Assurance refers to the treatment of the HRA Surplus Repayment and now needs to be amended to incorporate the change to the NCH treatment and recognition of the repayment within the accounts. The letter will be amended and forwarded to NCC for signing following approval of the accounting treatment change by the Board</p>
4.5	<p>It is recommended that</p> <ol style="list-style-type: none"> 1. the Statutory Accounts are amended to include the £18.5m as an exceptional item and show as a balance sheet provision. <ul style="list-style-type: none"> ○ The NCC Shareholder representative will be authorised to approve the accounts. ○ The external audit opinion will revert to the same as last year, being a material uncertainty over going concern, but validating the directors view that the company is a going concern for the foreseeable future being a period of not less than twelve months from the date of signing. ○ There will be no future tax implication should the amount owed be reduced in future years. ○ There are no other changes from the accounts circulated at the previous meeting. 2. That the delayed AGM is reconvened for the Board Meeting on 9th November to approve the amended Statutory Accounts.

5	PERIOD 5 2023/24 FINANCE UPDATE, FORECAST AND BUDGET UPDATE																		
5.1	Appendix 7 shows the P5 outturn position for NCH Ltd trading activities and residual transferred services as well as a revised forecast for the year.																		
5.2	<p>The full year forecast shows a loss for NCH Ltd trading activities of £48k compared to a small original budgeted profit of £11k. The forecasted loss position is due to the following key changes:</p> <table border="1"> <thead> <tr> <th>Budget Amendment</th> <th>£'000's</th> <th>Detail</th> </tr> </thead> <tbody> <tr> <td>Arboretum Running Costs</td> <td>101</td> <td>One off running costs for 23-24, these will cease when blocks are sold on</td> </tr> <tr> <td>Part time COO</td> <td>21</td> <td>£100k+on costs for year pro-rata to 3 days pw for 5 months from Nov 2023, less £13k contribution from NRP (pro rata £30k)</td> </tr> <tr> <td>Board Member costs</td> <td>36</td> <td>Not included in original budget</td> </tr> <tr> <td>Increase in repairs costs</td> <td>197</td> <td>To reflect higher repairs and disrepair cases expected in year, mainly homelessness properties</td> </tr> <tr> <td>Less: loan interest saving</td> <td>(308)</td> <td>Indicative loan interest charges for phase 4 homelessness, midland house and FRW not drawn down, so no loan interest due for these properties</td> </tr> </tbody> </table> <p>The forecast includes the cost of a part time COO and board member fees agreed after the original budget was set. Repairs costs have increased significantly in year also which remains a concern, with the majority of the cost increases relating to homelessness properties leased to NRP Ltd.</p> <p>NCH Ltd also have a responsibility to maintain the arboretum blocks. The company would be on track to achieve a small surplus, without this additional cost burden, after taking into account the other cost increases.</p>	Budget Amendment	£'000's	Detail	Arboretum Running Costs	101	One off running costs for 23-24, these will cease when blocks are sold on	Part time COO	21	£100k+on costs for year pro-rata to 3 days pw for 5 months from Nov 2023, less £13k contribution from NRP (pro rata £30k)	Board Member costs	36	Not included in original budget	Increase in repairs costs	197	To reflect higher repairs and disrepair cases expected in year, mainly homelessness properties	Less: loan interest saving	(308)	Indicative loan interest charges for phase 4 homelessness, midland house and FRW not drawn down, so no loan interest due for these properties
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5.3	Financial year 23/24 is a year of transition for NCH Ltd, with movements relating to both ongoing trading activities and prior year movements associated with NCC transitioned services impacting the profit and loss. The summary position on appendix 7 tracks the actual position for these activities separately.																		
5.4	For NCH Ltd trading activities, the company is showing a profit as at P5 of £25k compared to a forecast loss of £20k for the period. It should be noted that service contract charges have been accrued to budget and are at risk of change. The improved trading position is due to underspends against external audit fees (£15k), arboretum running costs (£37k) and COO employee costs (£9k), which is due to budget profiling, with these costs expected in the latter half of the year.																		

5.5	<p>The P&L movements relating to transferred NCC services are also included in the P5 summary report. These cost centres are showing a credit position of £108k, which is expected to be fully offset by 22-23 supplier invoices in year. However, it should be noted that there are further adjustments needed to the 23-24 accounts to finalise the financial transition of HRA and other housing services to NCC and these are likely to impact the 23/24 profit & loss position for NCH Group. Key transactions still be finalised are as follows:</p> <ul style="list-style-type: none"> • Invoicing and receipt of cash payment by for the sale of HRA vehicle fleet in the region of c. £1.1m • Settlement of >£525k 22/23 work in progress owed to NCH Ltd by NCC • Finalise and agree approach to settle all remaining 'inter-group' debtor and creditor balances between NCH Ltd and NCC • Agree treatment of vehicle grants, annual leave and other provisions that remain on NCH Ltd balance sheet. • Housekeeping of aged transactions on control account codes, likely to need reversing to the P&L • Transfer of Nottingham on call debt and associated loss allowance (bad debt provision) to NCC.
5.6	<p>Overall, NCH Ltd is showing a profit of £133k at P5 primarily due to budget profiling and delays in supplier payments for 22/23 HRA services. However, there remains a significant amount of work to do to finalise the financial transition of HRA services in order to present an NCH trading balance sheet clear of prior year activity by the end of the financial year.</p>
5.7	<p>It is recommended that the 23/24 full year forecast is adopted as the budget latest for NCH Ltd.</p>
6	FORECASTED CASH POSITION 23/24
6.1	<p>Appendix 8 shows the forecasted cashflow position for 23-24 and 24-25, which has been shared with Bishop Fleming and reviewed by Mazars</p>
6.2	<p>The cashflow is structured in two parts. The top section shows forecasted cash inflows and outflows relating to NCH Ltd Trading activities, which predicts a small in year surplus of £21k, however, it should be noted that the cashflow needs updating to align to the revised forecast if this is approved as the budget latest position by Board.</p>
6.3	<p>The second part of the cashflow tracks the 22/23 transactions already settled by NCH Ltd (to period 4), the remaining outstanding transactions and estimated settlement window and expected impact on the cashflow. It should be noted that the treatment of several transactions still needs to be agreed with NCC, which could affect the cash position in year.</p>
6.4	<p>The cashflow assumes all prior year HRA transactions (with the exception of some disrepair costs) will be settled during 23/24, leaving a forecasted positive cash balance of £7.4m as at 31st March 2024.</p>

6.5	24/25 cashflow is based on 23/24 budgets and is indicative only as the cash position for next year will be significantly affected by the recruitment of a COO, the decision to sell or retain the Arboretum blocks as well as the cost of property maintenance, which is currently much higher than in previous years.																				
6.6	No repayment of HRA surplus has been included in the cashflow and it is advised that no sums are released to NCC until the remaining HRA transactions are settled and decisions regarding the treatment the arboretum properties and the blocks owned by NCHL Ltd (Fairham House, Masson and Ryehill) has been reached, as transfer of assets within the group may require cash reserves if additional loan drawdown cannot be arranged.																				
7	RENT DEBT WRITE OFF AND TRANSFER OF NOTTINGHAM ON CALL DEBT																				
7.1	Nottingham on Call services have transferred to NCC and it is proposed that the outstanding debt of c.£41k and corresponding bad debt provision is transferred to NCC. Any future receipts relating to this debt will be received by NCC. This transfer will not adversely impact the revenue budgets for NCH Ltd or NCC as the provision fully offsets the outstanding debt. Approval for this transfer is sought from Board prior to approaching NCC.																				
7.2	The table below gives a breakdown of debt relating to former tenancies associated with properties transferred to Nottingham City Homes Enterprise Ltd in 20/21. Debt collection strategies have been fully exhausted, these debts are considered virtually impossible to collect and the recommendation is they are written off. The total value of the write off for the group is £52,199.80, of which £44,982.51 is the responsibility of NCH Ltd to fund.																				
7.3	<p>A large portion of this debt relates to tenancy periods pre-transfer to Nottingham City Homes Enterprise Ltd and so £44,982.51 will be funded from the NCH Ltd bad debt provision, for which there is adequate provision and therefore no impact on the company profit and loss in 23/24.</p> <p>The remaining tenancy debt will be written off to the Nottingham City Homes Enterprise Ltd bad debt provision, which has already been approved by NCHL Ltd Board in Q4 of 22/23.</p> <p>See below breakdown of debt by property:</p> <table border="1"> <thead> <tr> <th>Property Reference</th> <th>Address Line 1</th> <th>Former Balances @ 31.03.2022</th> <th>Tenancy End Date</th> <th>NCH Write Off</th> </tr> </thead> <tbody> <tr> <td>MKCAS025000</td> <td>25 CASTLEFIELDS</td> <td>272.89</td> <td>14/08/2019</td> <td>272.89</td> </tr> <tr> <td>LVGMA01200</td> <td>APT 12</td> <td>371.44</td> <td>17/03/2020</td> <td>371.44</td> </tr> <tr> <td>MKCAS043000</td> <td>43 CASTLEFIELDS</td> <td>200</td> <td>31/07/2019</td> <td>200</td> </tr> </tbody> </table>	Property Reference	Address Line 1	Former Balances @ 31.03.2022	Tenancy End Date	NCH Write Off	MKCAS025000	25 CASTLEFIELDS	272.89	14/08/2019	272.89	LVGMA01200	APT 12	371.44	17/03/2020	371.44	MKCAS043000	43 CASTLEFIELDS	200	31/07/2019	200
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LVGMA01200	APT 12	371.44	17/03/2020	371.44																	
MKCAS043000	43 CASTLEFIELDS	200	31/07/2019	200																	

MKCAS043000	43 CASTLEFIELDS	225	09/11/2020	225
MKARC000300	3 ARCHWAY COURT	443.86	31/03/2018	443.86
MKHOG041000	41 HOGARTH STREET	493.63	31/03/2020	493.63
MKMBR020000	18 MEADOW BROWN ROAD	493.98	20/09/2020	493.98
MKARC000100	1 ARCHWAY COURT	656.1	18/08/2017	656.1
MKSHI003000	3 SHIRES DRIVE	2,232.58	29/01/2021	990.85
MKCHE032000	32 CHELMSFORD ROAD	2,273.09	27/11/2019	2273.09
MKPLA002100	21 PLANTAGENET COURT	3,579.66	06/03/2019	3579.66
MKARC000200	2 ARCHWAY COURT	3,636.11	31/10/2019	3636.11
MKTEN00120A	FLAT A	4,266.10	03/05/2021	4,266.10
MKMAP00300C	FLAT 3	3,100.50	17/07/2017	3,100.50
MKMAP00300C	FLAT 3	1,498.45	10/10/2019	1,498.45
MKDRA003000	3 DRAYMANS COURT	4,854.10	27/11/2019	4854.1
MKGAR010000	185 THE WELLS ROAD	5,227.32	12/02/2020	5227.32
MKLAM010000	10 LAMCOTE STREET	5,608.69	26/07/2017	5608.69
LVGMA00800	APT 8	5,975.56	17/02/2022	0
MKWIL034000	34 WILFORD CRESCENT	6,790.74	27/11/2019	6790.74
Total Write Off		52,199.80		44,982.51

8.	ARBORETUM UPDATE
8.1	Independent surveyors have revisited the valuations as at 31 st March 2023 and have confirmed these would be indicative of the sale values achievable if the properties were sold in blocks in their current finished and unfinished states. They have also confirmed that the rental value for each flat is in line with current market rates.
8.2	The 23/24 forecast includes part year running costs of £101k for the Arboretum blocks, which will increase in 24/25 to approx.£150k. if the blocks remain in NCH Ltd ownership.

8.3	<p>In July, indicative costings associated with the Arboretum were presented to Board, which indicated annual profits achievable if the properties were completed and rented out as either market rent, affordable housing or as temporary accommodation ranged from £88k to £212k (before corporation tax), however, this does not include loan interest charges, which would be in the region of £230k per annum using a conservative 4.2% interest rate, resulting in annual losses ranging from £18k to £142k. The blocks would also require additional cash investment of £1.1m, which would have to be funded from a loan drawdown. To expand on the rental options further, renting out the completed blocks and disposing of the remainder, would generate a loss in the region of £30k per annum, including loan interest charges. Overall, net yield for the rental options is very low even without incorporating loan interest charges, lower than would ordinarily be deemed commercially viable. Similarly, indicative costings for the sale of the blocks showed that the sale of the Arboretum in its current part complete state would generate a greater net cash receipt and pose a lower risk to the company overall.</p>
8.4	<p>The asset disposal model assumes that the arboretum is sold in all options as this property has been funded by NCH cash reserves, which have been identified by NCC and CIPFA as HRA funds and therefore cannot be used for market rent or temporary accommodation. This means that NCH would have no option but to arrange a loan for the full value of the Arboretum property, to release cash reserves for repayment to NCC. Renting the Arboretum properties is not a viable option for NCH Ltd as all rental options are forecasted to generate annual losses, once indicative loan interest charges are applied.</p> <p>It is RECOMMENDED that the Board approves the initial stages of the sale process for the Arboretum, comprising of a formal request to NCC to modify the covenants to support the sale process, preparation of a disposal plan, including engagement with estate agents and solicitors to ascertain formal quotes and valuations for disposal.</p>
9	APPROVALS OF PAYMENTS ABOVE £1M
9.1	<p>Per the Standing Order for payments above £1m to be approved by Board, a request is made for the following two payments to be approved.</p> <ul style="list-style-type: none"> • NCC Fee for 21/22 of net £1,583,300 (delayed while NCC provided credits for services not provided, now received – Appendices 5) • NCC Fee for 22/23 of net £1,452,199 (delayed while NCC provided credits for services not provided, now received – Appendices 6) • Both payments have been included within the cash forecasts. <p>It is RECOMMENDED that Board approves the two payments</p>
9	LEGAL IMPLICATIONS
9.1	<p>Under the Companies Act 2006, the Directors are under a responsibility to understand the contents of the Statutory Accounts, specifically:</p>

9.2	Section 172 of the UK's Companies Act 2006, imposes on a director the duty to 'act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole' and, in so doing, to have regard to a series of factors listed in the section which refer to the promotion of social, environmental and governance objectives.
9.3	Section 173 of the UK's Companies Act 2006, imposes on a director a positive duty to exercise independent judgment
9.4	Section 174 of the UK's Companies Act 2006, imposes a duty on a director to exercise the care, skill and diligence that would reasonably be expected of a diligent person carrying out the functions of a director.
9.4	NCC have prohibited NCH from utilising HRA funds/surpluses for non HRA activity. This will limit the ability to use cash reserves or assets bought/acquired from reserves for commercial activities e.g. market rent or 'general fund' activities (such as homeless accommodation)
10	IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES
10.1	Robust and effective monitoring of income and expenditures across the organisation are critical to ensure that costs are tightly managed and controlled. This will maximise the amounts available to repay amounts owing to the NCC HRA and create a robust residual budget model moving forward.
11	EQUALITY AND DIVERSITY IMPLICATIONS
11.1	Has the equality impact of these proposals been assessed? <input type="checkbox"/> Yes (EIA attached) <input checked="" type="checkbox"/> No (this report does not contain proposals which require an EIA)
12	BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT
12.1	Appendices 1 – Asset Disposal Options
	Appendices 2 – OPTION ONE – Ref1 – Disposal Option to sell everything
	Appendices 3 – OPTION TWO – Ref2 – Disposal to remove NCC cost increase
	Appendices 4 – Asset Disposal further background
	Appendices 5 – 21/22 NCC Fee
	Appendices 6 – 22/23 NCC Fee
	Appendices 7 – NCH Ltd P5 & Forecast
	Appendices 8 – Cashflow Forecast 23-24 & 24-25
Contact officers:	Name: Andrew Berry and Tracy Martin
	Address: Loxley House, Station Street, Nottingham NG2 3NJ
	E-mail: andrew.berry@nottinghamcity.gov.uk E-mail: tracy.martin@nottinghamcity.gov.uk
Date: 5th October 2023	

EXECUTIVE SUMMARY

2.2 FINANCE Appendix 1

Reference	Property Cohort	Number of Properties	Comments	Loan Value £'M	Market Value (Existing Use) £'M	Potential Equity £'M	Selling and Tax Estimate £'M	Net Equity for HRA £'M	Estimated NCC Annual Revenue Impact £'M
Intial Est	NCH Affordable	120		12.7	24.5	11.8			4.2
Ref 4		120	Check Market Rates	13.1	18.9	5.8	1.6	4.2	4.2
Intial Est	NCH Dispersed (incl Housing Led)	161		13.9	21.9	8.0			5.6
Ref 5		161	Check Market Rates	14.2	22.0	7.8	3.1	4.7	5.6
Intial Est	NCH Midland House	21		0.0	2.9	2.9			0.7
Ref 6		21	Check Market Rates	0.0	4.2	4.2	0.3	3.9	0.7
Intial Est	NCH Arboretum and FRW	37		0.0	5.1	5.1			0.0
Ref 8		37		0.0	5.2	5.2	0.2	5.0	0.0
Intial Est	NCH EL Market Rent	133	Incl Ryehill and Masson	15.6	19.6	4.0			0.0
Ref 10		99		11.7	15.4	3.7	2.1	1.6	0.0
Intial Est	NCH EL Ryehill Hs and Masson Hs								0.0
Ref 9		34		4.5	5.1	0.6	0.3	0.3	0.0
Intial Est	NCH EL Fairham House	24		3.2	3.6	0.4			0.8
Ref 12		24		3.3	3.5	0.2	0.3	(0.1)	0.8
Intial Est	TOTALS	496		45.4	77.6	32.2	0.0	0.0	11.3
Model		496		46.8	74.3	27.5	7.9	19.6	11.3

EXECUTIVE SUMMARY

Reference	Property Cohort	Number of Properties	Comments	Loan Value	Market Value (Existing Use)	Potential Equity	Selling and Tax Estimate	Net Equity for HRA	Estimated NCC Annual Revenue Impact
				£'M	£'M	£'M	£'M	£'M	£'M
Ref 4	NCH Affordable	120	Check Market Rates	13.1	18.9	5.8	1.6	4.2	4.2
Ref 5	NCH Dispersed (incl Housing Led)	161	Check Market Rates	14.2	22.0	7.8	3.1	4.7	5.6
Ref 6	NCH Midland House	21	Check Market Rates	0.0	4.2	4.2	0.3	3.9	0.7
Ref 8	NCH Arboretum and FRW	37		0.0	5.2	5.2	0.2	5.0	0.0
Ref 10	NCH EL Market Rent	99		11.7	15.4	3.7	2.1	1.6	0.0
Ref 9	NCH EL Ryehill Hs and Masson Hs	34		4.5	5.1	0.6	0.3	0.3	0.0
Ref 12	NCH EL Fairham House	24		3.3	3.5	0.2	0.3	(0.1)	0.8
Model	TOTALS	496		46.8	74.3	27.5	7.9	19.6	11.3

Sell All	Sell to avoid NCC B&B Impact	Sell NCHEL and Arb'tum and FRW	Ref Two plus Swap 34 Dispersed for Ryehill & Masson
REF 1	REF 2	REF 3	REF 2A
YES			
YES			34.0
YES			
YES	YES	YES	YES
YES	YES	YES	YES
YES	YES		
YES			

Options

Reference	Property Cohort	Number of Properties	Comments	Loan Value	Market Value	Potential Equity	Selling and Tax Estimate	Net Equity for HRA	Estimated NCC Annual Revenue Impact
				£'M	£'M	£'M	£'M	£'M	£'M
REF 1		496		46.8	74.4	27.6	8.0	19.6	11.3
			Deferred Interst 23/24					(1.5)	
			Estimated Housing Services Furnishing recharge					0.8	
			Funds Genrated through the disposal of Fleet					1.1	
			Estimated liqud funds created through unallocated bank funds					1.0	
								21.0	
REF 2		170		16.2	25.8	9.6	2.6	7.0	0.0
			Deferred Interst 23/24					(1.5)	
			Estimated Housing Services Furnishing recharge					0.8	
			Funds Genrated through the disposal of Fleet					1.1	
			Estimated liqud funds created through unallocated bank funds					1.0	
								8.4	
REF 3		136		16.2	24.7	8.5	2.5	6.0	0.0
			Deferred Interst 23/24					(1.5)	
			Estimated Housing Services Furnishing recharge					0.8	
			Funds Genrated through the disposal of Fleet					1.1	
			Estimated liqud funds created through unallocated bank funds					1.0	
								7.4	
REF 2A		170		14.8	25.2	10.4	2.9	7.5	0.0
			Deferred Interst 23/24					(1.5)	
			Estimated Housing Services Furnishing recharge					0.8	
			Funds Genrated through the disposal of Fleet					1.1	
			Estimated liqud funds created through unallocated bank funds					1.0	
								8.9	

RESIDUAL GROUP ESTIMATED PROFIT AND LOSS									
Total Income	Lease Costs	Depn Cost	Loan Interest	Running Costs	Profit / (Loss)	Add Back Depn	Loan Payments	Cash / (Deficit)	
£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
4.8	(2.8)	(0.1)	(0.1)	(1.9)	(0.1)	0.1	(0.1)	(0.1)	(0.1)
9.3	(2.8)	(0.6)	(1.2)	(4.1)	0.6	0.6	(0.8)	0.4	
9.4	(2.9)	(0.6)	(1.2)	(4.1)	0.6	0.6	(0.7)	0.5	
9.0	(2.8)	(0.5)	(1.3)	(4.0)	0.4	0.5	(0.8)	0.1	

2.2 FINANCE - APPENDIX 2

Asset Disposal Model - OPTION ONE

SELL ALL NCH AND EL

EXECUTIVE SUMMARY

ESTIMATED FUNDS GENERATED TOWARDS REPAYMENT FO THE HRA SURPLUS

	Total Disposal Income £'000	Total Loan Repaid £'000	Total Selling Fees £'000	Total Tax Provision £'000	HRA Surplus Repy'mnt £'000
Funds Genrated through the disposal of Property	74,389	(46,815)	(2,232)	(5,726)	19,616
Deferred Interst 23/24					(1,500)
Estimated Housing Services Furnishing recharge					787
Funds Genrated through the disposal of Fleet					1,120
Estimated liquid funds created through unallocated bank funds					1,000
					21,023

ESTIMATED GOING CONCERN PROFIT AND LOSS FOR THE GROUP

	Total Income £'000	Lease Costs £'000	Depn Cost £'000	Loan Interest £'000	Running Costs £'000	Profit / (Loss) £'000	Add Back Depn £'000	Loan Payments £'000	Cash / (Deficit) £'000
NCH Group	4,806	(2,838)	(70)	(128)	(1,826)	(56)	70	(85)	(71)

ESTIMATED INCREASE IN BED AND BREAKFAST COSTS THROUGH THE REDUCTION IN HOMELESS / SOCIAL PROPERTY

Cost £'000 11,273

2.2 FINANCE APPENDIX 3

Asset Disposal Model - OPTION TWO

SELL ALL EL, ARBORETUM AND FRW

EXECUTIVE SUMMARY

ESTIMATED FUNDS GENERATED TOWARDS REPAYMENT FO THE HRA SURPLUS

	Total Disposal Income £'000	Total Loan Repaid £'000	Total Selling Fees £'000	Total Tax Provision £'000	HRA Surplus Repy'mnt £'000
Funds Genrated through the disposal of Property	25,756	(16,208)	(773)	(1,810)	6,965
Deferred Interst 23/24					(1,500)
Estimated Housing Services Furnishing recharge					787
Funds Genrated through the disposal of Fleet					1,120
Estimated liquid funds created through unallocated bank funds					1,000
					8,372

ESTIMATED GOING CONCERN PROFIT AND LOSS FOR THE GROUP

	Total Income £'000	Lease Costs £'000	Depn Cost £'000	Loan Interest £'000	Running Costs £'000	Profit / (Loss) £'000	Add Back Depn £'000	Loan Payments £'000	Cash / (Deficit) £'000
NCH Group	9,326	(2,838)	(584)	(1,205)	(4,118)	581	584	(739)	426

ESTIMATED INCREASE IN BED AND BREAKFAST COSTS THROUGH THE REDUCTION IN HOMELESS / SOCIAL PROPERTY

Cost £'000 0

2.2 APPENDIX 4	
NOTTINGHAM CITY HOMES LIMITED	
BOARD	
REPORT OF THE ASSISTANT DIRECTOR OF FINANCE	5 October 2023
NOTTINGHAM CITY HOMES PROPERTY OPTION APPRAISAL – ADDITIONAL BACKGROUND	
1	ADDITIONAL BACKGROUND TO THE OPTIONS APPRAISAL MODEL SUPPLIED BY MARK LAWSON
1.1	<p>The NCH group owns a portfolio of 535 properties held for a variety of uses;</p> <ul style="list-style-type: none"> ❖ Market rent through NCH Enterprises Limited (NCH EL), ❖ Affordable rent through NCH and NCH Registered Provider Limited (NCH RP) and ❖ Temporary accommodation through NCH RP. <p>This option appraisal does not consider the 39 properties that are in the freehold ownership of NCH RP. Prior NCH EL Board approval has been given to commence disposing of market rent properties and phase 1 is in progress.</p>
1.2	<p>The key priority outcomes for the NCH Group were identified at the Board away day in July 2023 and are as follows;</p> <ol style="list-style-type: none"> 1. A residual company structure that is sustainable in terms of solvency and financial stability. 2. To realise assets and maximise cash within NCH Ltd to address repayment of the £20.133m debt owed to the HRA (£17.277m plus £2.856m interest) or to the fullest extent possible. 3. To give NCC options for full repayment of the HRA debt or reduced repayment off-set by on-going revenue savings to the NCC General Fund. 4. To retain use of (and potentially increase) temporary accommodation available to NCC via NCH RP Ltd to mitigate NCC General Fund costs 5. To simplify structures by reducing the number of legal entities in the NCH group, ideally to one 6. To explore the future governance options for the NCH group and to strengthen the organisation by the appointment of a Chief Officer to oversee the work of the Group 7. To implement a legitimate and transparent legal and financial relationship between NCC and the NCH companies 8. To do the best we can for our tenants and licensees.
1.3	<p>To aid the appraisal of options, a property database has been created. This details market valuation, existing use valuation (social housing), loan balance, likely legal and tax costs, together with any implications for the NCC General Fund in increased bed and breakfast costs through the loss of NCH RP temporary accommodation or permanent homes leading to an additional homeless duty burden for NCC. A summary of the values for each property cohort is included in Appendix 1.</p>
1.4	<p>Appendix 2 provides a range of options for repaying the HRA debt in full (but noting the consequences) or in part; references 1, 2, 3 and 2a</p>

1.5	Ref 1 demonstrates how the Board could satisfy the HRA debt in full. It will require the sale of all property assets realising an estimated £19.6m, which together with other funds amounts to £21.0m. Advice needs to be sought on the likely tax implications of this disposal, but an estimate is provided at this stage.
1.6	There are serious consequences of a full disposal (Ref 1); NCH RP on-going financial viability would be in question and NCC General Fund would see a dramatic increase in costs accommodating homeless families due to the sale of NCH dispersed properties, Midland House and the market sale of affordable homes, together with NCH EL Fairham House. The equivalent B&B costs for this has been estimated at £11.3m per annum (326 x £35k) although NCC would make some savings on this by taking on NCH RP lease and licence agreements.
1.7	Ref 2 demonstrates what funds could be realised by a disposal that has no adverse consequences for NCC B&B costs and is potentially viable for NCH and NCH RP. The disposal would realise £7.0m, with total funds of £8.4m towards the HRA debt. Whilst there are no adverse consequences, this sum is significantly lower than the HRA debt sought.
1.8	Ref 3 is the same as Ref 2, but excludes the disposal of NCH EL blocks at Masson House and Ryehill House. These blocks could be repurposed for additional temporary accommodation through NCH RP. This would reduce the funds available for HRA payback by £1m to £7.4m, but would deliver equivalent B&B savings to the NCC General Fund of £1.2m per annum. When homelessness demand drops, these blocks could then be sold on the open market.
1.9	Ref 2A is a hybrid of Ref 2. Instead of selling Masson House and Ryehill House, these could be repurposed for additional temporary accommodation through NCH RP and the equivalent number of NCH dispersed properties are sold on the open market. This would increase funds for HRA debt by £0.5m over Ref 2 and also reduce the inevitable on-going burden of maintaining Edwardian terraced properties for NCH.
1.10	Additional work needs to be undertaken to identify the Net Present Value of assets that are planned to be retained.
1.11	The property database allows a quick assessment of any other permutations that the Board may want to explore.



Loxley House, Station Street, Nottingham, NG2 3NG
VAT Reg. GB 118 0454 92

(Please quote above number for making payments and in any correspondence)

Nottingham City Homes
Financial Services
Loxley House
Station Street
Nottingham
NG2 3NJ

Customer Number: 302338
Our Reference: NCC_395600
Date of Invoice (Tax Point): 15-DEC-2021
Purchase Order No: FAO: Josephine Abbott, Finance Manager
Invoice issued by: Public Realm
Name: Street Scene
Contact Tel: 0115 9152733
Contact Email: parksandopenspaces@nottinghamcity.gov.uk

INVOICE

SLA Recharge 2021/22. For queries, please contact Lee Heron Tel: (0115) 876 4999 Email: financehelpdesk@nottinghamcity.gov.uk

Summary of Charges and Amount Due		
£	1,950,840.00	Net Amount
£	390,168.00	VAT
£	2,341,008.00	Total Invoice Amount
£	2,341,008.00	Amount Due
PAYMENT IS DUE BY 14-Jan- 2022		

Details of Charges	Qty	Unit of Measure	Unit Cost	Net Amount	VAT %	VAT Amount
SLA 2021/22 - Switchboard	1		59,250.00	59,250.00	20%	11,850.00
SLA 2021/22 - Finance	1		116,820.00	116,820.00	20%	23,364.00
SLA 2021/22 - Legal (Legal Conveyancing)	1		1,160.00	1,160.00	20%	232.00
SLA 2021/22 - Legal (Litigation & Dispute Resolution)	1		343,010.00	343,010.00	20%	68,602.00
SLA 2021/22 - IT	1		1,006,640.00	1,006,640.00	20%	201,328.00
SLA 2021/22 - EMSS	1		33,640.00	33,640.00	20%	6,728.00
SLA 2021/22 - EMSS	1		220,320.00	220,320.00	20%	44,064.00

The Late Payment of Commercial Debts Regulation 2002

We will exercise our statutory right to claim interest plus a fixed sum and reasonable costs of recovering the debt under the late payment legislation, if we are not paid according to agreed credit terms.

To understand how your personal information is processed and shared for Nottingham Council/Bridge Estate: please go to <https://www.nottinghamcity.gov.uk/privacy-statement>.

And for Nottingham City Homes go to

<https://www.nottinghamcityhomes.org.uk/your-home/your-rent/privacy-statement/>. If you do not have access to a computer, please write to the Data Protection Officer at NCC/NCH.



98261731171908550339084

Details of Charges	Qty	Unit of Measure	Unit Cost	Net Amount	VAT %	VAT Amount
SLA 2021/22 - Procurement – Access to NCC Frameworks	1		70,000.00	70,000.00	20%	14,000.00
SLA 2021/22 - Treasury Management Services	1		100,000.00	100,000.00	20%	20,000.00



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Nottingham City Homes
Financial Services
Loxley House
Station Street
Nottingham
NG2 3NJ
GB

Customer Number: 302338
Our Reference: NCC_395600
Date of Credit (Tax Point): 17-JUL-2023
Purchase Order No: FAO: Josephine Abbott, Finance Manager
Issued by: Public Realm.
Name: Street Scene
Contact Tel: 0115 9152733
Contact Email: parksandopenspaces@nottinghamcity.gov.uk

CREDIT NOTE

Original Transaction Number: 855033908
Credit Reason: Billing Error
RESO

Summary of Charges and Amount Due		
£	-367,540.00	Net Amount
£	-73,508.00	VAT
£	-441,048.00	Total Credit Amount
£	0.00	Amount Due

Details of Charges	Qty	Unit of Measure	Unit Cost	Net Amount	VAT %	VAT Amount
SLA 2021/22 - Treasury Management Services	-1		100,000.00	-100,000.00	20.00	-20,000.00
SLA 2021/22 - IT	-1		267,540.00	-267,540.00	20.00	-53,508.00



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Cybercrime and Banking Fraud

There is a significant risk posed by cyber fraud, specifically affecting email accounts and bank account details. You should check our account details with us in person if you are in any doubt or if you receive any apparent new bank details from us by email.

We will not accept responsibility if you transfer money into an incorrect account



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Nottingham City Homes
Financial Services
Loxley House
Station Street
Nottingham
NG2 3NJ

Customer Number: 302338
Our Reference: NCC_395600
Date of Invoice (Tax Point): 21-DEC-2022
Purchase Order No: FAO: Josephine Abbott, Finance Manager
Invoice issued by: Stratigic Finance
Name: Finance Help Desk
Contact Tel: 0115 8764999
Contact Email: financehelpdesk@nottinghamcity.gov.uk

INVOICE

SLA Recharge 2022/23. For queries, please contact Lee Heron
Tel: (0115) 876 4999 Email: financehelpdesk@nottinghamcity.gov.uk
RESO

Summary of Charges and Amount Due		
£	1,950,840.00	Net Amount
£	390,168.00	VAT
£	2,341,008.00	Total Invoice Amount
£	2,341,008.00	Amount Due
PAYMENT IS DUE BY 20-Jan- 2023		

Details of Charges	Qty	Unit of Measure	Unit Cost	Net Amount	VAT %	VAT Amount
SLA 2022/23 - Switchboard	1		59,250.00	59,250.00	20%	11,850.00
SLA 2022/23 - Finance	1		116,820.00	116,820.00	20%	23,364.00
SLA 2022/23 - Legal (Legal Conveyancing)	1		1,160.00	1,160.00	20%	232.00
SLA 2022/23 - Legal (Litigation & Dispute Resolution)	1		343,010.00	343,010.00	20%	68,602.00
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SLA 2022/23 - EMSS	1		33,640.00	33,640.00	20%	6,728.00
SLA 2022/23 - EMSS	1		220,320.00	220,320.00	20%	44,064.00

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98261731171908550835354

Details of Charges	Qty	Unit of Measure	Unit Cost	Net Amount	VAT %	VAT Amount
SLA 2022/23 - Procurement – Access to NCC Frameworks	1		70,000.00	70,000.00	20%	14,000.00
SLA 2022/23 - Treasury Management Services	1		100,000.00	100,000.00	20%	20,000.00



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NG2 3NJ
GB

Customer Number: 302338
Our Reference: NCC_395600
Date of Credit (Tax Point): 17-JUL-2023
Purchase Order No: FAO: Josephine Abbott, Finance Manager
Stratigic Finance
Issued by:
Name: Finance Help Desk
Contact Tel: 0115 8764999
Contact Email: financehelpdesk@nottinghamcity.gov.uk

CREDIT NOTE

Original Transaction Number: 855083535
Credit Reason: Billing Error
RESO

Summary of Charges and Amount Due		
£	-498,641.00	Net Amount
£	-99,728.20	VAT
£	-598,369.20	Total Credit Amount
£	0.00	Amount Due

Details of Charges	Qty	Unit of Measure	Unit Cost	Net Amount	VAT %	VAT Amount
SLA 2022/23 - Treasury Management Services	-1		100,000.00	-100,000.00	20.00	-20,000.00
SLA 2022/23 - IT	-1		267,540.00	-267,540.00	20.00	-53,508.00
SLA 2022/23 - Finance	-1		116,820.00	-116,820.00	20.00	-23,364.00
SLA 2022/23 - Switchboard	-1		14,281.00	-14,281.00	20.00	-2,856.20



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We will not accept responsibility if you transfer money into an incorrect account

2.2 FINANCE APPENDIX 7 - Appendix 1: Period 5 Trading Position and Summary Forecast

	PERIOD 5			2023/24		
	Actual	Budget Latest	Variance	Original Budget	Forecast	Variance
	YTD £'000	YTD £'000	YTD £'000	Full year £'000	Full year £'000	Full year £'000
NCH Ltd Trading						
Income Rental Properties	(337)	(317)	(20)	(760)	(791)	(31)
Income Leased Properties	(573)	(573)	(0)	(1,375)	(1,375)	0
Support Services and Overheads	141	102	39	245	375	130
Property Repairs	170	71	99	171	475	304
Bulidng Depreciation	222	222	0	533	533	0
Loan Interest	352	490	(138)	1,176	832	(344)
(Profit)/Loss	(25)	(4)	(20)	(11)	48	58
Transferred Services						
Residual - Resources Directorate	(5)	0	(5)	0	0	0
Residual - Property Directorate	(16)	0	(16)	0	0	0
Residual - Housing Directorate	(87)	0	(87)	0	0	0
Total (Profit)/Loss	(133)	(4)	(128)	(11)	48	58

Group (Profit)/Loss Position as at 31st August 2023 (P5)

	PERIOD 5			2023/24		
	Actual	Budget Latest	Variance	Original Budget	Forecast	Variance
	YTD £'000	YTD £'000	YTD £'000	Full year £'000	Full year £'000	Full year £'000
NCH Ltd*	(133)	(4)	(128)	(11)	48	59
NRP Ltd	(161)	(86)	(75)	(204)	(204)	0
NEL Ltd	88	53	35	212	212	0
	(206)	(37)	(168)	(3)	56	59

* Includes credits relating to transferred services

NCH Ltd - Residual Trading Activity

CASH FLOW FORECAST

	Cash Inflows
	Rental Income
1	Social Housing - External Rent
2	NRP Lease Payments Homelessness
3	NRP Lease Payments Midland House
4	NEL Lease Payments FRW
-	NCH Rent - NCC Qty cash receipts - NCC HRA Quarterly Return
5	Miscellaneous (Cash inflows that cannot be allocated to categories above)
	TOTAL CASH INFLOWS
	Operational Overhead Costs - Residual Trading Activity
	Intercompany Costs
6	NCH / NCC Recharges (incl Repairs & Running Costs)
7	Landlord Licenses
8	Insurance (due to NCC)
9	Void council tax (due to NCC)
10	VAT (Annual payment due to partial exemption - aiming for zero with all VAT included in the spend lines)
	External / Third Party Costs
13	Audit Fees
14	Misc. Costs (Prof. / Maint. Fees)
15	Arboretum Running Costs - external
16	Finance Costs - external
17	Governance Costs - external
	Sub-total: Operational Costs
	Finance / Non Operating Costs
18	NCC Loan Repayments (Interest)
19	NCC Loan Repayments (Principle)
20	Corporation Tax 22-23
21	Corporation Tax 23-24
22	Arboretum Capital Spends
	Sub-total: Finance / Non Operating Costs
	TOTAL CASH OUTFLOW Residual NCH Ltd Trading
	NET CASH FLOW NCH Trading
	NCH Ltd - 22-23 HRA Activities Impacting Cash Balance
Cash	Miscellaneous Income
Cash	NCC Receipts
24	NCC Debtor - Cash from Vehicle Sale
25	NCC debtors other
26	PA Housing/Zedra - net of purple
27	External debtors
28	NEL debtor
29	NCC WIP debtor not in ledger
30	NOC debtor 22-23 (assumed zero as BDP offsets remaining debt in full)

TOTAL CASH INFLOWS - HRA/22-23 Transactions	
Cash	Fuel Card Payments
Cash	Notts County Council Pension
Cash	Faster Payments - Various
Cash	HM Courts
Cash	HMRC VAT
Cash	Trade Creditors
31	NCC Creditor - SLA Charges 21-22 and other 22-23 invoices
32	NCC Creditors - (GRNI)
33	External Creditors (GRNI)
34	Creditors - AP Control (net of credits)
35	Stock Creditor
36	Repayment of Vehicle Grant
37	NCC Manual creditor - council tax 22-23
38	Serengeti invoices not on balance sheet (invoices not processed with no PO's)
39	Provisions - employment and disrepair cases
23	Accruals reversed into P&L - no GRNI or invoice
40	VAT due on 22-23 activities
TOTAL CASH OUTFLOW - HRA/22-23 Transactions	
NET CASH FLOW HRA Activities	
NET CASH FLOW ALL NCH Ltd Activity	
Opening Cash NCH Ltd Bank	
Closing Cash	

FCAST	FCAST	FCAST	FCAST	FCAST	FCAST
Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23

	Link	38,150	38,150	38,150	38,150	38,150	38,150
	Link	90,832	90,832	90,832	90,832	90,832	90,832
	Link	20,227	20,227	20,227	20,227	20,227	20,227
	Link	3,554	3,554	3,554	3,554	3,554	3,554
		£0	£0	£0	£0	£99,050	£0
	Formula	1,250	0	0	1,250	0	0
		£154,013	£152,763	£152,763	£154,013	£251,813	£152,763
	NCC - Link	-£37,836	-£37,836	-£37,836	-£37,836	-£37,836	-£37,836
	NCC	£0	£0	£0	£0	£0	£0
	NCC	£0	£0	£0	£0	£0	£0
	NCC	£0	£0	£0	£0	£0	£0
	NCH	£0	£0	£0	£0	£0	£0
	External	£0	£0	£0	£0	-£18,000	£0
	Formula	£0	£0	£0	£0	£0	£0
	External	£0	£0	£0	£0	£0	-£14,439
	External	£0	£0	£0	£0	-£12,000	£0
	External	-£2,800	-£2,800	-£2,800	-£2,800	-£2,800	-£2,800
		-£40,636	-£40,636	-£40,636	-£40,636	-£70,636	-£55,075
	NCC	0	0	0	0	0	0
	NCC	0	0	0	0	0	0
	External	0	0	0	0	0	0
	External	0	0	0	0	0	0
	External	0	0	0	0	0	(90,000)
		0	0	0	0	0	(90,000)
		(£40,636)	(£40,636)	(£40,636)	(£40,636)	(£70,636)	(£145,075)
		£113,377	£112,127	£112,127	£113,377	£181,177	£7,688
		£61,016	£11,278	£3,706	£10,212	£0	£0
		£1,653,651	£1,070,835	£182,246	£277,463	£0	£0
H-90200-AAA-9264		£0	£0	£0	£0	£0	£0
H-90200-AAA-9264 & H-91301-AAA-9262		£0	£0	£0	£0	£0	£0
H-90200-AAA-9422 & H-90200-AAA-9840 & H-91233-AAA-9840		£0	£0	£0	£0	£0	£23,814
H-91301-AAA-9262		£0	£0	£0	£0	£0	£0
H-90200-NEL-9263		£0	£0	£0	£0	£0	£0
H-90100-AAA-9241		£0	£0	£0	£0	£0	£0
H-90300-NOC-9263		£0	£0	£0	£0	£0	£0

		£1,714,667	£1,082,113	£185,952	£287,675	£0	£23,814
		(£43,080)	(£2,004)	£0	£0	£0	£0
		(£478)	£0	£0	£0	£0	£0
		(£68,941)	£648	(£3,422)	(£96)	£0	£0
		(£11,075)	(£6,668)	£745	(£7,828)	£0	£0
		(£164,058)	(£359,328)	£0	£0	£0	£0
		(£5,709,270)	(£1,302,604)	(£531,513)	(£1,041,537)	£0	£0
H-90200-NCC-9421 & H-90200-NCC-9422		£0	£0	£0	£0	£0	£0
H-92312-AAA-9422		£0	£0	£0	£0	£0	£0
H-92312-AAA-9422		£0	£0	£0	£0	£0	£0
H-92301-AAA-9422		£0	£0	£0	£0	(£814,052)	£0
H-90100-AAA-9242		£0	£0	£0	£0	£0	£0
H-98612-AAA-9561 & H-98613-AAA-9561		£0	£0	£0	£0	£0	£0
		£0	£0	£0	£0	£0	£0
		£0	£0	£0	£0	£0	(£10,200)
H-91330-AAA-9263		£0	£0	£0	£0	£0	£0
91272-AAA-9422 & H-		£0	£0	£0	£0	£0	£0
		(£5,996,902)	(£1,669,956)	(£534,190)	(£1,049,461)	(£814,052)	(£10,200)
		(£4,282,235)	(£587,843)	(£348,238)	(£761,786)	(£814,052)	£13,614
		(£4,168,858)	(£475,716)	(£236,111)	(£648,409)	(£632,875)	£21,302
		£15,542,090	£11,373,232	£10,897,516	£10,661,405	£10,012,996	£9,380,121
		£11,373,232	£10,897,516	£10,661,405	£10,012,996	£9,380,121	£9,401,423

2.2 FINANCE APPENDIX 8

FCAST	FCAST	FCAST	FCAST	FCAST	FCAST
Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
38,150	38,150	38,150	38,150	38,150	38,150
90,832	90,832	90,832	90,832	90,832	90,832
20,227	20,227	20,227	20,227	20,227	20,227
3,554	3,554	3,554	3,554	3,554	3,554
£99,050	£0	£0	£99,050	£0	£0
1,250	0	0	1,250	0	0
£253,063	£152,763	£152,763	£253,063	£152,763	£152,763
-£37,836	-£37,836	-£37,836	-£37,836	-£37,836	-£37,836
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	-£15,000
£0	£0	£0	£0	£0	-£3,000
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0
-£14,439	-£14,439	-£14,439	-£14,439	-£14,439	-£14,439
£0	£0	-£12,000	£0	£0	£0
-£2,800	-£2,800	-£2,800	-£2,800	-£2,800	-£2,800
-£55,075	-£55,075	-£67,075	-£55,075	-£55,075	-£73,075
(424,463)	0	0	0	0	(421,100)
(214,748)	0	0	0	0	(218,111)
0	0	0	0	0	0
0	0	0	0	0	0
(97,000)	0	0	0	0	0
(736,211)	0	0	0	0	(639,211)
(£791,285)	(£55,075)	(£67,075)	(£55,075)	(£55,075)	(£712,285)
(£538,222)	£97,688	£85,688	£197,988	£97,688	(£559,522)
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0
£1,344,000	£0	£0	£0	£0	£0
£0	£0	£1,114	£0	£0	£528,842
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£141,126
£0	£0	£0	£0	£0	£378,437
£665,647	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0

£2,009,647	£0	£1,114	£0	£0	£1,048,405
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0
£0	£0	(£3,150,055)			
£0	£0	(£1,105,662)			
£0	£0	(£671,100)			
£0	£0	£0	£0	£0	£0
(£10,856)	£0	£0	£0	£0	£0
£0	£0	(£58,806)	£0	£0	£0
£0	£0	(£29,000)	£0	£0	£0
(£10,200)	(£10,200)	(£10,200)	£0	£0	£0
£0	£0	£0	£0	£0	(£92,321)
£0	£0	£0	£0	£0	£700,000
(£21,056)	(£10,200)	(£5,024,823)	£0	£0	£607,679
£1,988,591	(£10,200)	(£5,023,709)	£0	£0	£1,656,084
£1,450,369	£87,488	(£4,938,020)	£197,988	£97,688	£1,096,562
£9,401,423	£10,851,792	£10,939,280	£6,001,260	£6,199,248	£6,296,936
£10,851,792	£10,939,280	£6,001,260	£6,199,248	£6,296,936	£7,393,498

£6,353,388	£0	£0	£0	£0	£0	£0
(£45,084)	£0	£0	£0	£0	£0	£0
(£478)	£0	£0	£0	£0	£0	£0
(£71,811)	£0	£0	£0	£0	£0	£0
(£24,826)	£0	£0	£0	£0	£0	£0
(£523,386)	£0	£0	£0	£0	£0	£0
(£8,584,924)	£0	£0	£0	£0	£0	£0
(£3,150,055)	£0	£0	£0	£0	£0	£0
(£1,105,662)	£0	£0	£0	£0	£0	£0
(£671,100)	£0	£0	£0	£0	£0	£0
(£814,052)	£0	£0	£0	£0	£0	£0
(£10,856)	£0	£0	£0	£0	£0	£0
(£58,806)	£0	£0	£0	£0	£0	£0
(£29,000)	£0	£0	£0	£0	£0	£0
(£40,800)	£0	£0	£0	£0	£0	£0
(£92,321)	£0	£0	£0	£0	£0	£0
£700,000	£0	£0	£0	£0	£0	£0
(£14,523,161)	£0	£0	£0	£0	£0	£0
(£8,169,774)	£0	£0	£0	£0	£0	£0
(£8,148,592)	£117,541	£116,254	£116,254	£81,541	£220,256	£101,382
	7,393,498	7,511,040	7,627,293	7,743,547	7,825,089	8,045,345
	7,511,040	7,627,293	7,743,547	7,825,089	8,045,345	8,146,727

NOTTINGHAM CITY HOMES LIMITED

REPORT OF THE EXECUTIVE ASSISTANT

BOARD
5 October 2023

NOTTINGHAM CITY HOMES MANAGEMENT UPDATE

1 EXECUTIVE SUMMARY

- 1.1 This report provides the Board of Nottingham City Homes (NCH) with a general update on the management of NCH business, the service contract with Nottingham City Council (NCC) and the challenges presenting.

The report also raises concerns about the general maintenance of NCH owned stock, the effects that this is having on budgets and risks presenting to NCH in respect of its obligations to keep leased properties in good repair.

It is further suggested that the financial, performance and compliance data for NCH-owned and tenanted properties should be presented to the NCH Board to ensure they are properly sighted and assured.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board;
- 2.2 **Note and Comment** on the report.
- 2.3 **Approve** the Service Contract between Nottingham City Council and the NCH Group and for the Chair of the Board to sign the contract.
- 2.4 **Agree** the NCH response to the potential breach of lease obligations to keep NCH owned Dispersed properties in good repair.
- 2.5 **Agree** that financial, performance and compliance data for NCH-owned stock is reported direct to the NCH Board from Q2, 2023/24 onwards instead of oversight being vested with the Board of NCH RP.

3 SERVICE CONTRACT WITH NCC

- 3.1 The Service Contract between Nottingham City Council (NCC) and the Nottingham City Homes (NCH) Group, including NCH Limited, was agreed in principle by the NCH Board on 23 February 2023.
- 3.2 Recent progress has been made with the NCC Section 151 Officer and NCC Head of Companies and Commercial Oversight and the contract has now been signed on behalf of NCC by Sajeeda Rose, Corporate Director for Growth and City Development on 26 September 2023 (also see report by the Strategic Director of Housing at 3.2 of the Group Board agenda). There have been minor changes and clarifications to the version given approval in principle by the Board. These have all been instigated by NCH and incorporated into this signed version. No changes have been proposed or made by NCC. The signed Service Contract is in Appendix 1

- 3.3 Operationally, NCH business has continued to be transacted by NCC Housing Services staff and for the most part is working as it was under NCH Limited prior to April. However, no payments have been made to NCC for services delivered because of the unsigned contract. If approved and signed by NCH Boards, we will work with NCC Finance to agree payments due to date and settle accounts.
- 3.4 It should be noted that the service contract does not currently contain specific service standards beyond those published by NCC Housing Services for its own stock (as inherited from NCH). These do not include any target times for repair classifications, void turnaround or rent collection, for example. Further, there are no provisions for recompense from NCC for standards not being met. If this was included, NCC would potentially be put in a position of committing an offence under the HRA ring-fence rules, pursuant to Section 74 of the Local Government and Housing Act 1989. As such, the NCH Group only has the option of giving notice to NCC and seeking alternative management and/ or maintenance arrangements.
- 3.5 Now the service contract has been signed by NCC, the Board is asked to provide formal approval for NCH Limited and sign the contract.

4 REPAIRS, MAINTENANCE AND VOIDS PERFORMANCE

- 4.1 Concern has been raised with NCC Housing Services about the operational delivery of the Property division. There have been instances of lengthy appointment waits and repairs not being completed in a timely and competent manner causing nuisance or danger to residents and further damage to properties, increasing repair costs. Six families have needed to be relocated from NCH-owned dispersed homeless properties leased to NCH RP since April 2023 due to insanitary and dangerous conditions.
- 4.2 The Temporary Accommodation team contracted to NCH RP are completing an audit of dispersed properties to identify general condition and the scale of disrepair. The results will be reported back to Boards in November with an outline action plan for improvements.
- 4.3 183 properties are provided by NCH to NCH RP for use as temporary accommodation and Housing First via leases that contain a clause for NCH to keep the properties in good repair. Residents are suffering due to poor maintenance and repairs and NCH RP is facing compensation claims for disrepair and injury as a result. NCH RP has also lost £110k in void rent loss this year to date on 24 dispersed properties that have taken 50 days or more to let. Continued losses at this rate are not sustainable for NCH RP.
- 4.4 Discussions have been ongoing with the NCC Housing Services Property teams about how to improve matters for NCH group properties and residents. It is now proposed that a recently procured contractor will be solely allocated to NCH Group properties, but still managed through the NCC Property Division. A meeting has been arranged with the Director of Property on 28 September and a verbal update will be provided to Board at the meeting.
- 4.5 The NCH Board need to be aware that if there isn't an improvement in the repair, maintenance and void works delivered to NCH RP leased dispersed temporary accommodation, NCH RP will have no option but to serve notice on NCH limited to terminate for breach of the repairing covenant in the leases. This would have

significant adverse effects on NCH finances and on-going viability and on NCC's overspend on B&B accommodation.

- 4.6 On a positive note, all building safety compliance is at 100% and well managed, although a list of medium and low priority issues identified in Fire Risk Assessments is still being addressed.

5 NCH OWNED STOCK; FINANCIAL, PERFORMANCE AND COMPLIANCE REPORTING

- 5.1 Under the previous NCH governance and board arrangements, the NCH Main Board had strategic oversight and operational matters were delegated to the ALMO and NCH subsidiary boards.
- 5.2 NCH Limited is the landlord for 120 affordable rent homes, primarily located in Lenton, Radford and Clifton. The key performance indicators and property safety compliance data was reported to the NCH RP Board who agreed to have oversight of these homes even though they weren't responsible for them.
- 5.3 It is suggested that the NCH RP oversight arrangement should end and the financial and performance report for NCH-owned stock should be presented quarterly to the NCH Board to provide the necessary assurance to Board members. The Audit Risk and Compliance Committee also have oversight of all NCH group property compliance.

6 FINANCIAL, LEGAL AND RISK IMPLICATIONS

6.1 Financial Implications

- 6.1.1 NCH have accrued to budget in anticipation of the NCC Housing Services costs plus VAT, pursuant to the (unsigned) Service Contract. The actual costs are yet to be determined, which presents an increasing risk to NCH should the actual costs sought by NCC be greater than the accrued budgeted sums. Although NCC have recently signed the Service Contract, confirmation that the actual charging structure falls within NCH Group budgets for 23/24 is still required.
- 6.1.2 Actual expenditure on property repairs is significantly higher than budget, which has been set in line with prior year spend. Repairs to homelessness properties is of particular concern as spend at P5 already exceeds the annual budget for the year. This has been addressed in a revised forecast for the company that is recommended to be approved as the Budget Latest position. Additional costs are in part due to delays in effecting repairs causing additional dilapidations and cost. Repairs budgets will be monitored closely and an update will be brought back to the next Board meeting.
- 6.1.3 A separate finance report provides further information regarding period 5 outturn along with an update on the 22/23 statutory accounts and options appraisal.

6.2 Legal Implications

- 6.2.1 The potential legal implications from this report are as follows:
- 6.2.2 The leases between NCH and NCH RP provide for NCH Ltd, (in effect through the Service Contract with NCC Housing Services), to keep the interior and exterior of

the properties in good repair. There are no provisions in the lease for breach of covenants by NCH Ltd, but there are provisions to break the leases on their annual anniversary. This will however have serious operational implications on the provision of homeless accommodation and where possible should be avoided.

- 6.2.3 Section 9.4 of the Termination Agreement, dated 3 January 2023, states “*the Council will make such arrangements as are necessary and lawfully permitted to ensure that from the Termination Date any services which are currently provided by NCH to either NCHRP or NCH Enterprise (or both) being the intragroup services provided by NCH pursuant to the Intragroup Agreements dated on or about July 2019 and July 2021 respectively and remain required by either NCHRP or NCH Enterprises (or both) continue to be provided to them by the Council or another body. Such services will be provided by the Council to NCH RP or NCH Enterprises (or both) at a cost to be agreed between the parties and for such period as is necessary to support the Council’s Objectives*”. These services are not being met and urgent discussion should take place between the parties to ensure that a resolution is reached. The Service Agreement to deliver these services was only signed at the time of writing.

6.3 Risk Implications

- 6.3.1 The emerging risk of failure to keep properties in good repair, and the potential for leases being terminated due to the breach thereof, have been reviewed at the NCH RP Board meeting and will be recorded in the NCH Risk Register.

6.4 HR Implications

- 6.4.1 There are no HR implications from this report.

7 IMPLICATIONS FOR NOTTINGHAM CITY HOMES REGISTER PROVIDER OBJECTIVES

- 7.1 The delivery of excellent quality, affordable homes to rent and accommodating those in housing need are key objectives of NCH.

8 EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 Has the equality impact of these proposals been assessed?
 Yes (EIA attached)
 No (this report does not contain proposals which require an EIA)

9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 9.1 NCC/ NCH group service contract presented to the Board on 23 February 2023.

Contact officers: Name: Mark Lawson, Executive Assistant
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Date: 27 September 2023

Appendix 1



**Service Contract
between
Nottingham City Council
And
The Nottingham City Homes Group
Comprising
Nottingham City Homes Limited
Nottingham City Homes Registered Provider Limited
Nottingham City Homes Enterprises Limited**

26 September 2023



Parties

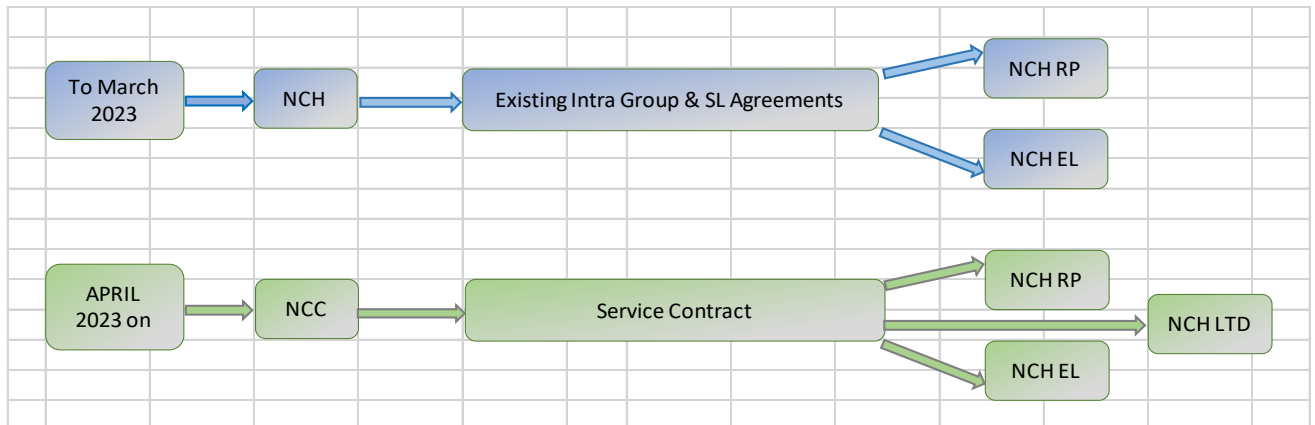
- (1) **Nottingham City Council**, a Local Authority, whose registered office is at Loxley House, Station Street, Nottingham NG2 3NG
(the **service provider**);
- (2) **Nottingham City Homes Limited**, a company limited by guarantee registered with Companies House in England under company number 5292636, whose registered office is at Loxley House, Station Street, Nottingham NG2 3NJ
(**NCH**);
- (3) **Nottingham City Homes Registered Provider Limited**, a company limited by guarantee registered with Companies House under company number 9810057 and whose registered office is at Loxley House, Station Street, Nottingham NG2 3NJ
(**NCH RP**);
- (4) **Nottingham City Homes Enterprises Limited**, a company limited by shares registered with Companies House under company number 9805670 and whose registered office is at Loxley House, Station Street, Nottingham NG2 3NJ
(**NCH EL**).

Service Contract	Provision of Housing Management, Maintenance and Support Services
Service Delivered by	Nottingham City Council
Service Delivered to	Nottingham City Homes Group, comprising Nottingham City Homes Limited (NCH) Nottingham City Homes Registered Provider Limited (NCH RP) Nottingham City Homes Enterprises Ltd (NCH EL)
Responsible Officer, Nottingham City Council (NCC)	Kevin Lowry, Strategic Director of Housing
Responsible Officer, Nottingham City Homes Limited (NCH)	
Responsible Officer, Nottingham City Homes Registered Provider Limited (NCH RP)	
Responsible Officer, Nottingham City Homes Enterprises Ltd (NCH EL)	
Period Covered	1 April 2023 to 31 March 2025
Services to be provided	Provision of; <ul style="list-style-type: none"> ❖ Governance services ❖ Finance services ❖ Legal services ❖ Performance and regulatory management ❖ Risk management and health and safety services ❖ Information governance services ❖ Insurance services ❖ Property and building safety compliance ❖ Responsive repair and maintenance ❖ Void repair ❖ Planned maintenance ❖ Tenancy and Licence management ❖ Intensive housing management services ❖ Allocations and lettings ❖ Rent setting and arrears management ❖ Grounds maintenance and tree safety ❖ And any such service which may from time to time be required for direct delivery or commissioning.
Review Date	1 January 2024
Approved By;	
Nottingham City Council (NCC)	Sajeeda Rose, Corporate Director for Growth and City Development.
Nottingham City Homes Limited (NCH)	
Nottingham City Homes Registered Provider Ltd (NCH RP)	
Nottingham City Homes Enterprises Limited (NCH EL)	

1) Introduction

This Service Contract is made between Nottingham City Council (NCC) (“the service provider”) and the Nottingham City Homes group of companies (NCH Group), comprising Nottingham City Homes Limited (NCH), Nottingham City Homes Registered Provider Limited (NCH RP) and Nottingham City Homes Enterprises Limited (NCH EL) for the provision of housing management services, maintenance services and a full suite of corporate services to the NCH group.

This Service Contract replaces the NCH Intra-group Agreement and Service Level Agreements between NCH Limited and its subsidiaries, NCH Registered Provider Limited and NCH Enterprises Limited.



The purpose of this Service Contract is to:

- Define and detail the responsibilities of NCC and the NCH Group
- Define what services will be provided, operated and delivered by NCC to the NCH Group, how these services will be delivered and by who
- Define payment by the NCH Group to NCC for the cost of services provided
- Define the service standards required
- Define who will manage the service contract for NCC, NCH, NCH RP and NCH EL
- Define the variation process by which services can be added, amended or deleted
- Define any contract dispute resolution processes.

2) Scope of Service

The Service Contract sets out the management, maintenance, operational support services and Board governance support to be supplied by NCC to the NCH Group, provided there is no conflict of interest, to include;

- General Responsibilities of NCC
- General Responsibilities of the NCH Group, comprising NCH Limited, NCH Registered Provider Limited and NCH Enterprises Limited
- Responsible officers for each party to the contract
- Board governance
- Finance
- Legal, including court proceedings
- Performance monitoring and reporting, including Regulatory requirements
- Health and Safety
- Information governance, data protection and GDPR
- Complaints and Ombudsman enquiries
- Customer insights and satisfaction surveys

- Selective Licencing administration (where required)
- Maintenance of the properties covered by this contract, including;
 - Property safety compliance
 - Building safety compliance and a Building Safety Responsible Officer
 - Responsive repairs – 24/7 emergency, urgent and routine
 - Void repairs
 - Planned maintenance
 - Lifecycle replacement
 - A Stock Condition Survey (SCS) and Housing Health and Safety Rating System (HHSRS) survey every 5 years unless client stipulates sooner.
- Management of the tenancies and licences, including;
 - Allocations and lettings
 - Customer service point of contact, including 24/7 emergency repair reporting
 - Tenancy management
 - Intensive housing management (where appropriate)
 - Anti-Social Behaviour management
 - Tenancy end processes and associated documentation
 - Licence agreement management
 - Rent administration
 - Rent and Service Charge setting
 - Rent arrears management
- Caretaking, cleaning and grounds maintenance
- Business continuity
- Emergency planning
- Charging mechanisms
- Joint Service Standards (Appendix 1)
- Quality control, contract monitoring and liaison
- Issue Resolution
- Contract dispute resolution

3) General Responsibilities of NCC

NCC will deliver the following services;

Ref	Responsibility	Task/ activity	To be delivered to		
			NCH	NCH RP	NCH EL
1	Governance	For all NCH Group entities; <ul style="list-style-type: none"> ○ Setting quarterly meetings ○ Agendas and minutes ○ AGM ○ Sub-committees as required by the Group Board ○ Board member recruitment and retention ○ Ensuring NHF Code of Governance is fully met ○ Company advice & filing ○ Risk management ○ Filing of Company documents 	✓	✓	✓

To be delivered to

Ref	Responsibility	Task/ activity	NCH	NCH RP	NCH EL
2	Responsible Client Officer (NCC)	<ul style="list-style-type: none"> ○ Lead Responsible Officer for the contractor (NCC) ○ Oversee service contract provision ○ Maintain required levels of performance and standards ○ Accept service of notices ○ Issue resolution 	✓	✓	✓
3	Responsible Officer for each NCH company (general duties)	<ul style="list-style-type: none"> ○ Assign a senior client Responsible Officer to each NCH company ○ Board liaison and meeting agenda ○ Business plan and model ○ Strategy and direction ○ New business ○ Agreeing and monitoring service contracts, leases and SLAs ○ Annual budget setting ○ Setting charges to meet expenditure, including services and agreed surplus ○ Monthly budget monitoring and projection in conjunction with Finance Officer, including scrutiny of service contract charges ○ Approving Purchase Orders and authorising invoices ○ Monitoring property safety compliance ○ Management of external out-sourced contracts for delivery of services ○ High level enquires ○ Dispute resolution 	✓	✓	✓
4	Responsible Officer NCH Ltd (additional specific duties)	<ul style="list-style-type: none"> ○ Lease reviews 	✓		
5	Responsible Officer NCH RP (additional specific duties)	<ul style="list-style-type: none"> ○ Strategic direction and overseeing TA provision ○ Securing new accommodation ○ Provider reviews ○ Lease and licence negotiation ○ Strategic negotiation with Benefits 		✓	

			To be delivered to		
Ref	Responsibility	Task/ activity	NCH	NCH RP	NCH EL

6	Responsible Officer NCH EL (additional specific duties)	<ul style="list-style-type: none"> ○ Selective licencing ○ Planning and delivery of any decommissioning of Market rent tenancies/ properties, including sale ○ Management of all MR tenancies ○ Customer satisfaction surveys ○ Management of stock valuation ○ Planning and management of Investment programmes ○ Management of void properties ○ Performance reporting 			✓
7	Finance	<p>For all NCH Group entities;</p> <ul style="list-style-type: none"> ○ Annual and quarterly financial and budget reporting ○ Presenting to NCH Boards ○ Monthly accounts ○ Maintaining ledgers ○ Maintaining bank accounts ○ MTFP ○ Stress testing, where necessary ○ Audit ○ Company accounts ○ Corporation Tax ○ VAT ○ Procurement ○ Purchase orders and invoice payment ○ Financial and tax advice 	✓	✓	✓
8	Legal	<ul style="list-style-type: none"> ○ Provision of legal advice as required ○ Leases ○ Legal defence 	✓	✓	✓
8a	Possession action	<ul style="list-style-type: none"> ○ Issuing of legal proceedings (NCH EL outsourced) 	✓	✓	
9	Business Transformation	<ul style="list-style-type: none"> ○ Annual and quarterly performance reporting on; <ul style="list-style-type: none"> ○ building compliance, ○ regulatory compliance, ○ rent collection, ○ complaints, ○ voids, ○ customer satisfaction 	✓	✓	✓
10	Business Transformation	<ul style="list-style-type: none"> ○ Regulatory advice (RoSH) ○ Regulatory returns (RoSH) ○ Housemark returns 		✓	

Ref	Responsibility	Task/ activity	To be delivered to		
			NCH	NCH RP	NCH EL
11	Customer Insight and satisfaction	<ul style="list-style-type: none"> ○ Comments and complaints handling ○ Ombudsman enquiries ○ Customer satisfaction surveys (not NCH EL) ○ Minor disrepair compensation 	✓	✓	✓
12	Health and Safety	<ul style="list-style-type: none"> ○ Provision of health and safety advice as required 	✓	✓	✓
13	Information governance, data protection and GDPR	<ul style="list-style-type: none"> ○ Provision of information governance, data protection and GDPR advice as required ○ Dealing with data and Access to Information requests, etc 	✓	✓	✓
14	Selective Licencing	<ul style="list-style-type: none"> ○ Administration, applications, issue resolution 			✓
15	Insurance	<ul style="list-style-type: none"> ○ Insuring property assets ○ Public liability insurance ○ Fidelity insurance ○ Disrepair and public liability claims 	✓	✓	✓
16	Building and Property Safety Compliance	<ul style="list-style-type: none"> ○ Completion of building safety compliance servicing and checks to properties owned by the NCH Group or leased to NCH RP through the Private Sector Leasing scheme, in accordance with NCC policies and service standards (carried forward from NCH), to include; <ul style="list-style-type: none"> ○ gas safety and servicing ○ smoke and CO detectors ○ Electrical Installation Condition Report ○ district heating servicing (where fitted) ○ PAT testing (outsourced resource for NCH EL) ○ thermostatic mixing valve checks ○ fire safety detection and alarm systems ○ emergency lighting ○ water safety (legionella) ○ sprinklers (where fitted) ○ any new emerging compliance requirements 	✓	✓	✓

Ref	Responsibility	Task/ activity	To be delivered to		
			NCH	NCH RP	NCH EL
17	Responsive repairs	<ul style="list-style-type: none"> ○ Provision of responsive repairs to properties owned by the NCH Group or leased to NCH RP through the Private Sector Leasing scheme, in accordance with NCC policies and service standards (carried forward from NCH) and reflective of NCH Group tenancy and licence agreement provisions, to include; <ul style="list-style-type: none"> ○ emergency repairs, 24/7 ○ routine repairs ○ replacement of failed items ○ Reporting and monitoring of defects and latent defects. 	✓	✓	✓
18	Void Repairs (Commercial team for NCH EL properties)	<ul style="list-style-type: none"> ○ Completion of Voids works to all NCH Group owned properties (plus NCH RP Private Sector Leasing Scheme) on vacation of tenant or licensee, to include; <ul style="list-style-type: none"> ○ gas cap ○ lock change ○ reinstatement works ○ Electrical Installation Condition Report ○ gas re-commission ○ clean ○ return ready to let. ○ To agree a different lettable standard where required from the NCC policy 	✓	✓	✓
19	Planned maintenance and Lifecycle Replacement	<ul style="list-style-type: none"> ○ Writing and updating Planned Maintenance programmes for NCH Group properties ○ Completion of Planned Maintenance works to all NCH Group owned properties in accordance with the Planned Maintenance Programme. 	✓	✓	✓
20a	Allocations and Lettings (NCC team)	<ul style="list-style-type: none"> ○ Advertising general needs homes for let on Homelink ○ Shortlisting applicants and making offers ○ Signing up new tenants and explaining tenancy conditions ○ Ordering furniture and kitchen appliances for furnished tenancies ○ Updating IT systems 	✓	✓	

Ref	Responsibility	Task/ activity	To be delivered to		
			NCH	NCH RP	NCH EL
20b	Allocations and Lettings (Dedicated TA team)	<ul style="list-style-type: none"> ○ For NCH RP temporary accommodation and Housing Led; ○ receiving nominations from NCC Housing Aid ○ allocating property resource ○ accompanying residents to the property ○ sign-up ○ explaining licence conditions ○ updating IT systems ○ CORE returns 		✓	
20c	Allocations and Lettings (Dedicated Living team)	<ul style="list-style-type: none"> ○ For Living market rent accommodation; ○ advertising property to let with Open Rent ○ Open Rent source tenants, references, deposits and first month's rent in advance ○ accompanied viewings ○ sign up and explain tenancy conditions ○ explain tenancy conditions and sign up Direct Debit 			✓
21	Customer Service	<ul style="list-style-type: none"> ○ Customer Service Centre ○ 24/7 emergency repairs reporting 	✓	✓	✓
		<ul style="list-style-type: none"> ○ Provision of rent and arrears advice (not NCH RP temporary accom) 	✓	✓	✓
		<ul style="list-style-type: none"> ○ Tenancy management advice and assistance (not NCH RP temp acc or NCH EL) 	✓	✓	
22a	Tenancy Management (TEM team)	<ul style="list-style-type: none"> ○ Managing tenancies in NCH owned and NCH RP general needs assured tenancies, to include; ○ routine tenancy visits ○ tenancy amendments ○ mutual exchanges ○ neighbour disputes ○ gardens and communal areas ○ environmental and estate management ○ tenant liaison and involvement ○ breaches of tenancy ○ notice to quit 	✓	✓	

Ref	Responsibility	Task/ activity	To be delivered to		
			NCH	NCH RP	NCH EL
22b	Tenancy Management (Dedicated Living team)	<ul style="list-style-type: none"> ○ Managing tenancies in NCH EL Living assured tenancies, to include; <ul style="list-style-type: none"> ○ routine tenancy visits ○ tenancy amendments ○ neighbour disputes ○ gardens and communal areas ○ breaches of tenancy ○ notice to quit 			✓
23	Anti-Social Behaviour management	<ul style="list-style-type: none"> ○ Specialist anti-social behaviour advice and assistance ○ Community mediation ○ Liaison with Community Protection and the Police ○ Issuing notices and legal proceedings in conjunction with Legal services 	✓	✓	
24	Licence Management in temporary accommodation and Housing Led properties	<ul style="list-style-type: none"> ○ Managing NCH RP temporary accommodation licences (dedicated TA team) and Housing Led (project officers), to include; <ul style="list-style-type: none"> ○ receiving nominations from NCC ○ allocating temporary accom. ○ signing up licensees and explaining licence conditions ○ compiling a Housing Needs assessment ○ maintaining regular contact with residents ○ provision of advice and assistance to sustain their licence ○ completion of Housing Benefit applications ○ managing rent payments and arrears ○ managing behaviour and damage ○ property inspections ○ furniture inventories ○ assistance with referrals to other agencies ○ assistance with finding a permanent home ○ liaison with NCC Housing Aid ○ terminations and liaising with Voids ○ chasing former tenant arrears 		✓	

		<ul style="list-style-type: none"> ○ Ordering replacement furniture and appliances ○ Appropriate record keeping to demonstrate “care, support and supervision” delivered ○ Ensuring compliance with national and local regulatory or voluntary standards for specialist supported housing. 			
			To be delivered to		
Ref	Responsibility	Task/ activity	NCH	NCH RP	NCH EL
25	Rent administration	<ul style="list-style-type: none"> ○ Payment methods ○ Accounting for rent and charge payments by accounting fund ○ Performance reporting ○ Direct Debit administration ○ Refunds ○ IT systems administration 	✓	✓	✓
26a	Rent and Service Charge setting	<ul style="list-style-type: none"> ○ NCH and NCH RP assured tenancies; <ul style="list-style-type: none"> ○ calculation of charges needed to balance the budget ○ Board approvals ○ NCC Benefits approvals ○ resident and Benefit notifications ○ system uprating 	✓	✓	
26b	Rent and Service Charge setting	<ul style="list-style-type: none"> ○ NCH RP temporary accommodation; <ul style="list-style-type: none"> ○ calculation of charges needed to balance the budget ○ Board approvals ○ NCC Benefits approvals ○ resident and Benefit notifications ○ system uprating. 		✓	
26c	Rent and Service Charge setting (Dedicated Living team)	<ul style="list-style-type: none"> ○ Market rent; <ul style="list-style-type: none"> ○ initial market rent setting ○ Board approvals ○ annual reviews at tenancy anniversary ○ providing notifications ○ system uprating. 			✓

Ref	Responsibility	Task/ activity	To be delivered to		
			NCH	NCH RP	NCH EL
27a	Rent arrears management for assured tenancies (by Rents team)	<ul style="list-style-type: none"> ○ Reviewing rent accounts in arrears ○ Making and maintaining contact with debtors ○ benefit advice and assistance ○ tenancy sustainment support ○ referrals to outside agencies ○ taking appropriate action ○ issuing notices for possession in conjunction with legal (not NCH EL) ○ former tenant arrears chasing 	✓	✓	✓
27b	Rent arrears management for licenses in temporary accommodation) by TA team	<ul style="list-style-type: none"> ○ Reviewing rent accounts in arrears ○ making and maintaining contact with debtors ○ assistance to claim HB ○ benefit advice and assistance ○ support and supervision ○ referrals to outside agencies ○ taking appropriate action ○ issuing notices for possession 		✓	
28	Caretaking and cleaning	<ul style="list-style-type: none"> ○ Provision of caretaking and cleaning to communal areas in NCH Group blocks. 	✓	✓	✓
29	Grounds maintenance	<ul style="list-style-type: none"> ○ Provision of grounds maintenance to communal external areas surrounding NCH Group blocks. ○ Tree safety management. 	✓	✓	
30	Business Continuity	<ul style="list-style-type: none"> ○ Business continuity planning and delivery, including out of hours. 	✓	✓	✓
31	Emergency Planning	<ul style="list-style-type: none"> ○ Emergency planning and delivery, including out of hours. 	✓	✓	✓

4) General Responsibilities of the NCH Group

- 4.1) The NCH Group will work with NCC to deliver the joint objectives of delivering excellent quality, safe homes and temporary accommodation for Nottingham citizens and families.
- 4.2) To retain Board structures to fulfil company requirements and facilitate strategic objectives and decisions.
- 4.3) To maintain separate accounting systems, bank accounts and (where required) VAT registration for each company.

- 4.4) To pay NCC's actual costs of delivering services to NCH, NCH RP and NCH EL.
- 4.5) To abide by the provisions of General Data Protection Regulations as the data owner and with NCC as data processor and both parties agree to sign a data sharing agreement.
- 4.6) To remain compliant with legislation and regulations at all times.
- 4.7) Work with NCC to determine the best long-term future for NCH Group tenants, licensees and property assets.

5) Responsible officers

- 5.1) NCC will provide the Boards of NCH, NCH RP and NCH EL with a client Responsible Officer of sufficient seniority to lead the operations of the company and act as advocate for the Board.
- 5.2) Responsible officers will set and manage budgets, approve spend, write business plans and strategies and monitor all aspects of performance and compliance delivered by NCC to the company in accordance with this service contract.
- 5.3) NCC will also appoint a senior contractor Responsible Officer to oversee the delivery, performance and compliance of this service contract.

6) Charging mechanisms

- 6.1) Charges for services delivered by NCC under this service contract will be levied to the NCH companies in accordance with clauses (6.4), (6.5) and (6.6) below.
- 6.2) Itemised invoices shall be raised monthly for approval and payment within 30 days.
- 6.3) All charges for services will be subject to VAT at the prevailing rate, where assessed for VAT.
- 6.4) Where the actual cost of delivery is known, this cost will be passed to each NCH Group company in full, as follows;
 - gross salaries of staff engaged 100% in NCH activities
 - pro-rata gross salaries of staff substantially engaged (33% or more) in NCH Group activities at the agreed pro-rata percentage
 - assessed fixed costs such as caretaking, cleaning, grounds maintenance
 - assessed per-property costs for property and building safety compliance
 - repairs and maintenance work completed
 - planned maintenance work completed
 - void repairs work completed
 - insurance
- 6.5) Where actual costs are not known, NCH, NCH RP and NCH EL shall pay costs based on pro-rata calculation of the total cost of the NCC service, divided by the number of properties for each NCH company receiving that service. It should be noted that parts of the NCH Group property portfolio have dedicated staff performing some of these functions so should not be billed pro-rata here also;
 - tenancy management
 - arrears management
 - customer service
 - customer insight
 - complaints and ombudsman enquiries
 - information governance, data protection and GDPR
 - health and safety
 - general overheads, including ICT, senior management, HR

- 6.6) Where pro-rata costs based on property numbers would not proportionately reflect the cost of service delivery, fixed costs should be agreed by the parties to this contract. Examples would be;
- governance
 - finance
 - performance reporting and monitoring
 - regulatory matters
- 6.7) Where property numbers reduce or increase, pro-rata charges must also be amended at the date of the change. Actual costs and fixed costs will not change unless the whole property portfolio, or a substantial part of it, is disposed of.
- 6.8) Where NCC staff are wholly engaged in delivering services to a service recipient NCH company and their costs are fully recharged to that company, they shall not be engaged in NCC business without the written approval of the Responsible officer for that service recipient company.
- 6.9) A summary of services to be provided to each NCH company and specific property use portfolios is in Appendix 2.
- 6.10) The cost matrix used to define costs of services provided under this Service Contract is contained in Appendix 3.

7) Service Standards

- 7.1) NCC will deliver services to the NCH Group, it's tenants, licensees and properties in accordance with NCC's service standards (as inherited from NCH), the links to which are in Appendix 1.
- 7.2) Proposed amendments to service standard statements existing at the time of this agreement, must be approved by the respective Responsible Officers and Boards.
- 7.3) Additional or different service standards may be agreed by all parties, or a single NCH party and NCC, with costs to be agreed where considered to be additional or different.
- 7.4) All parties to this Service Contract commit to the following;
- a. to work together and collaboratively to successfully deliver the outcomes required under this contract,
 - b. to keep tenants, licensees, staff and properties safe,
 - c. to work to get void properties urgently back into use,
 - d. to maximise income,
 - e. to ensure costs are accurate with no subsidy or over-charging.

8) Quality control, contract monitoring and liaison

- 8.1) The Responsible Officers are accountable for monitoring the service contract and performance and quality of service provided by NCC staff.
- 8.2) The Responsible Officers will initially adopt the NCH performance and service standards and Key Performance Indicators from 2022/23 in which to assess the performance of delivery under this contract.
- 8.3) It is expected that the Responsible Officers will agree further contract monitoring measures in due course. Such measures must be agreed by NCC and the respective NCH service recipient.
- 8.4) Responsible Officers shall meet monthly to assess performance and raise any issues or charging queries.

9) Issue and dispute resolution

- 9.1) All parties to this contract commit to dealing with complaints or dissatisfaction about the level of service provided, or the Service Contract itself, effectively and efficiently and to take immediate remedial action to resolve the complaint and avoid a re-occurrence.
- 9.2) Areas of under-performance or potential breach of contract shall be raised at the monthly contract review meeting and an action plan to address issues agreed.
- 9.3) Where an action plan cannot be agreed, or concerns remain about under-performance or breach of this contract, an escalation process has been devised to address and resolve concerns as follows;

➤ Stage 1

The under-performance issue, complaint or potential breach of contract by NCC shall be put in writing/ email to the NCC Responsible Officer who will review the matter within ten working days. If the matter is complex and it is not possible to fully resolve within this timescale then an interim written response to the NCH Responsible Officer will be made within five working days, and the matter finally resolved within a further ten working days.

➤ Stage 2

If the issue remains unresolved, under-performance issue, complaint or potential breach of contract, together with appropriate evidence, shall be escalated to the NCC Strategic Director of Housing for review. A final written response will be made to the NCH Responsible Officer within ten working days.

➤ Stage 3

In the unlikely event that agreement cannot be achieved, the dispute shall be referred to the NCC Corporate Director for Growth and City Development who may request a meeting with Responsible Officers and will provide a full written response within a further ten working days. Matters referred to Stage 3 must be reported to the relevant NCH company Board for review and direction.

10) Review

- 10.1) This Service Contract and all its constituent parts will be reviewed bi-annually by the assigned Responsible Officers or when otherwise required by an urgent need – including but not limited to changes to legislation, group corporate structure, customer base, asset holdings, or any other matters considered worthy of a review.
- 10.2) Any changes or alterations to the services provided, or charges therein, which will affect this Service Contract during the length of the agreement must be agreed by the Responsible Officers for NCC and the respective NCH service recipient in writing.

11) Variation

- 11.1) The Responsible Officers may agree to vary this agreement from time to time subject to the proviso that no variation of this agreement shall be effective unless it is in writing and signed by all the parties (or their authorised representatives) and notice of the variation has been served on each party . If variation relates to one or more provision that are not intended to apply to all parties equally then the variation agreement shall set this out accordingly and be signed by those parties only affected by the variation.


12) Termination

- 12.1) The Parties acknowledge that the services provided by NCC to NCH, NCHRP and NCHEL respectively are essential services required by one or all companies who are parties to this Agreement. The Parties have previously agreed to the terms of a Termination Agreement which provides that services will continue to be provided by NCC or another body .
- 12.2) The duration of such services will be provided by NCC to NCH, NCH RP and NCHEL at a cost to be agreed between the parties as set out in Clause 6 and Appendix 3 for such period as is necessary for the NCH Group to support the Council's Objectives.
- 12.3) The Parties acknowledge that different services may be required for each member of the NCH Group over different time periods and accordingly if services are no longer required then NCH Group members must serve a minimum of 6 months' notice on NCC (or a lesser period if agreed by both parties) to terminate any services it receives.
- 12.4) NCC may service notice to terminate services by serving 12 months' notice provided that if on expiry of that notice any services are still required by the NCH Group, or any member of the Group, that alternative service provision will be secured by NCC at no additional cost, or if Parties agree by an alternative third party provider.

13) Indemnity

- 13.1) NCC shall indemnify the NCH Group against any action, claim or demand against the NCH Group arising out of any failure of NCC to fulfil its responsibilities herein set out or imposed upon it by statute or otherwise PROVIDED ALWAYS that the liability of NCC hereunder (save for liability for negligence resulting in personal injury or death) to the NCH Group in respect of any such action, claim or demand shall not exceed the actual losses incurred.

Signatories

<p><u>Nottingham City Council</u></p> <p>Name Sajeeda Rose.....</p> <p>Position Corporate Director of Growth & City Development</p> <p>Organisation...Nottingham City Council.</p> <p>Signature.. </p> <p>Date 26/9/23.....</p>	<p><u>Nottingham City Homes Limited</u></p> <p>Name.....</p> <p>Position.....</p> <p>Organisation.....</p> <p>Signature.....</p> <p>Date</p>
<p><u>Nottingham City Homes Registered Provider Limited</u></p> <p>Name.....</p> <p>Position.....</p> <p>Organisation.....</p> <p>Signature.....</p> <p>Date</p>	<p><u>Nottingham City Homes Limited Enterprises Limited</u></p> <p>Name.....</p> <p>Position.....</p> <p>Organisation.....</p> <p>Signature.....</p> <p>Date</p>

List of NCC Service Standards, Strategies and Policies that apply to the delivery and performance of this Service Contract:

- ❖ Repairs Service Standards: <https://www.nottinghamcityhomes.org.uk/repairs/repairs-service-standards/>
- ❖ Lettable Standard:
- ❖ Customer Services Strategy: <http://documents.nottinghamcity.gov.uk/download/7870>
- ❖ Compliments, Comments and Complaints procedure: <http://documents.nottinghamcity.gov.uk/download/8662>
- ❖ Tackling ASB and Crime Strategy <http://documents.nottinghamcity.gov.uk/download/7874>
- ❖ Tenant and Leaseholder Involvement Strategy: <http://documents.nottinghamcity.gov.uk/download/7872>
- ❖ Equality, Diversification and Inclusion Strategy: <http://documents.nottinghamcity.gov.uk/download/7871>
- ❖ Health and Safety Policy: <http://documents.nottinghamcity.gov.uk/download/7886>
- ❖ Data Protection Policy: <http://documents.nottinghamcity.gov.uk/download/7941>

Service Summary by Ownership and Use**NCH Owned Social Rent Homes; 120 general needs properties for social rent**

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	NA			
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	Fixed actual cost		✓	
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	Property pro-rata			✓
Allocations and lettings; temporary accommodation	NA			
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	Property pro-rata			✓
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	NA			
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata			✓
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata			✓
Arrears management in temp. accommodation & hsg led	NA			
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use**NCH Owned Dispersed;** 150 dispersed properties leased to NCH RP for temporary accommodation

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost		✓	
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	NA			
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	Fixed actual cost		✓	
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata		✓	
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata		✓	
Arrears management in temp. accommodation & hsg led	Fixed actual cost		✓	
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use**NCH Owned;** 11 properties leased to NCH RP for Housing Led accommodation

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; Housing Led	Fixed actual cost		✓	
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	Property pro-rata		✓	
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	NA			
Tenancy Management; housing led	Fixed actual cost		✓	
Anti-social behaviour management	Property pro-rata		✓	
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata		✓	
Arrears management in temp. accommodation & hsg led	Fixed actual cost		✓	
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓
				✓

Service Summary by Ownership and Use**NCH Owned Midland House;** 21 properties leased to NCH RP for temporary accommodation

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost		✓	
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	NA			
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	Fixed actual cost		✓	
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata		✓	
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata		✓	
Arrears management in temp. accommodation & hsg led	Fixed actual cost		✓	
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use**NCH Arboretum Homes; 37 Arboretum and Forest Road West properties for refurbishment (un-tenanted bar 1 – let at market rent)**

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	NA			
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	Fixed actual cost		✓	
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	NA			
Allocations and lettings; market rent	Fixed actual cost		✓	
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	NA			
Tenancy and Estate Management; market rent	Fixed actual cost		✓	
Licence Management; temporary accommodation	NA			
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata			✓
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata			✓
Arrears management in temp. accommodation & hsg led	NA			
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use**NCH RP Owned Homes; 31 General Needs homes for Affordable and Social Rent**

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	Property pro-rata			✓
Allocations and lettings; temporary accommodation	NA			
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	Property pro-rata			✓
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	NA			
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata			✓
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata			✓
Arrears management in temp. accommodation & hsg led	NA			
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use**NCH RP Owned Homes; 8 Supported Housing Move-On homes for Affordable Rent**

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost	✓		
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	Property pro-rata			✓
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	Fixed actual cost	✓		
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata			✓
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	NA			
Arrears management in temp. accommodation & hsg led	Fixed actual cost	✓		
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use**NCH RP Leased Homes;** 29 flats at Highwood House leased from NCC HRA for temporary accommodation

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	NCC HRA			NCC HRA
Void repairs	Variable actual cost			✓
Planned maintenance	NCC HRA			NCC HRA
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost		✓	
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	NA			
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	Fixed actual cost		✓	
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata		✓	
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	NA			
Arrears management in temp. accommodation	Fixed actual cost		✓	
Caretaking, cleaning and grounds maintenance	NA			

Service Summary by Ownership and Use**NCH RP Leased Homes;** 28 Private Sector Leasing properties for temporary accommodation

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	NA			
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost		✓	
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	NA			
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	Fixed actual cost		✓	
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata		✓	
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	NA			
Arrears management in temp. accommodation	Fixed actual cost		✓	
Caretaking, cleaning and grounds maintenance	NA			

Service Summary by Ownership and Use**NCH RP Serviced Leased Homes;** 129 Serviced Lease properties for temporary accommodation

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	NA			
Building and property safety compliance	NA	✓		
Responsive repairs	NA			
Void repairs	NA			
Planned maintenance	NA			
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost		✓	
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	NA			
Tenancy and Estate Management; general needs	NA			
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	Fixed actual cost		✓	
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata		✓	
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	NA			
Arrears management in temp. accommodation	Fixed actual cost		✓	
Caretaking, cleaning and grounds maintenance	NA			

Service Summary by Ownership and Use
NCH EL Owned Homes; 118 homes for Market Rent

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH EL Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	NA			
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	Fixed actual cost		✓	
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost	✓		
Allocations and lettings; market rent	Fixed actual cost		✓	
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	Property pro-rata			✓
Tenancy and Estate Management; market rent	Fixed actual cost		✓	
Licence Management; temporary accommodation	NA			
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata			✓
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata			✓
Arrears management in temp. accommodation & hsg led	NA			
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use
NCH EL Owned Homes; 16 homes let to NCC Social Care

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH EL Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	NA			
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	Fixed actual cost		✓	
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost	✓		
Allocations and lettings; market rent	Fixed actual cost		✓	
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	Property pro-rata			✓
Tenancy and Estate Management; market rent	Fixed actual cost		✓	
Licence Management; temporary accommodation	NA			
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata			✓
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata			✓
Arrears management in temp. accommodation & hsg led	NA			
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

Service Summary by Ownership and Use**NCH EL Owned Fairham House**; 24 properties leased to NCH RP for temporary accommodation

Activity	Cost Basis	Delivered by		
		Responsible Officer	Dedicated Team	Generic team (pro-rata)
Governance	Fixed actual cost	✓		✓
NCH RP Responsible/ Lead Officer duties	Fixed actual cost	✓		
Finance	Fixed actual cost	✓		✓
Legal	Variable actual cost			✓
Business Transformation; reporting/ monitoring	Fixed actual cost			✓
Business Transformation; regulation	Fixed actual cost			✓
Customer insight	Property pro-rata			✓
Health and Safety	Property pro-rata			✓
Information governance and data protection	Property pro-rata			✓
Selective licencing	NA			
Insurance	Fixed actual cost		✓	
Building and property safety compliance	Fixed actual cost			✓
Responsive repairs	Variable actual cost			✓
Void repairs	Variable actual cost			✓
Planned maintenance	Variable actual cost			✓
Allocations and lettings; general needs	NA			
Allocations and lettings; temporary accommodation	Fixed actual cost		✓	
Allocations and lettings; market rent	NA			
Customer service; CSC, call handling, repairs reporting	Property pro-rata			✓
Tenancy and Estate Management; general needs	NA			
Tenancy and Estate Management; market rent	NA			
Licence Management; temporary accommodation	Fixed actual cost		✓	
Tenancy Management; housing led	NA			
Anti-social behaviour management	Property pro-rata		✓	
Rent administration	Fixed actual cost			✓
Rent and charge setting	Fixed actual cost	✓		
Rent arrears management	Property pro-rata		✓	
Arrears management in temp. accommodation & hsg led	Fixed actual cost		✓	
Caretaking, cleaning and grounds maintenance	Fixed actual cost			✓

NCC/ NCH Group Service Contract Cost Calculation Matrix

Appendix 3a: NCC/ NCH Group Service Contract Variable Cost Matrix																					
Activity	Cost basis	Total Cost of service	Total Properties receiving service	NCC HRA Properties receiving service	NCC HRA Properties as % of total	NCC HRA Costs	NCC General Fund			NCH Ltd Properties receiving service	NCH Ltd Properties as % of total	NCH Ltd Costs	NCH RP Properties receiving service	NCH RP Property Type	NCHRP Properties as % of total	NCH RP Costs	NCH EL Properties receiving service	NCH EL Property Type (not incl Fairham)	NCH EL Properties as % of total	NCH EL Costs	
							NCC GF Properties receiving service	NCC GF Properties as % of total	NCC GF Costs												
Lettings; Homelink, sign-up	All properties using service		25,215	25,038	99.30%	0	26	0.10%	0	120	0.48%	0	31	Soc & Aff only	0.12%	0	0	None	0.00%	0	
Tenancy Management	All properties using service		25,224	25,038	99.26%	0	26	0.10%	0	120	0.48%	0	31	Soc & Aff only	0.12%	0	0	None	0.00%	0	
ASB Management only	ASB budgeted separately		25,372	25,038	98.68%	0	26	0.10%	0	120	0.47%	0	39	All bar TA & HL	0.15%	0	140	All	0.55%	0	
Rent Admin	Per property, pro-rata + fixed		25,376	25,038	98.67%	0	26	0.10%	0	121	0.48%	0	40	All bar TA & HL	0.16%	0	141	All	0.56%	0	
Rent Arrears Management	All properties using service		25,364	25,038	98.71%	0	26	0.10%	0	120	0.47%	0	31	Soc & Aff only	0.12%	0	140	All	0.55%	0	
Former Tenant Arrears Man.	All properties using service		25,383	25,038	98.64%	0	26	0.10%	0	120	0.47%	0	50	All Assured	0.20%	0	140	All	0.55%	0	
IT and system infrastructure	Per property, pro-rata		25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420	All, incl TA	1.63%	0	140	All	0.54%	0	
Senior Management	Per property, pro-rata		25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420	All, incl TA	1.63%	0	140	All	0.54%	0	
			25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420		1.63%	0	140		0.54%	0	
			25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420		1.63%	0	140		0.54%	0	
			25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420		1.63%	0	140		0.54%	0	
Responsive Repairs	SOR (plus Premium for non-HRA?)	Actual costs	25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420		1.63%	0	140		0.54%	#VALUE!	
Planned Maintenance	SOR (plus Premium for non-HRA?)	Actual costs	25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420		1.63%	0	140		0.54%	#VALUE!	
Void Repairs	SOR (plus Premium for non-HRA?)	Actual costs	25,753	25,038	97.22%	0	26	0.10%	0	120	0.47%	0	420		1.63%	0	140		0.54%	#VALUE!	
Variable Cost Totals		0				0			0			0				0				#VALUE!	
Appendix 3b: NCC/ NCH Group Service Contract Fixed Cost Matrix																					
Activity	Cost basis	Total Cost of service	Total Properties receiving service	NCC HRA Properties receiving service	NCC HRA Properties as % of total	NCC HRA Costs	NCC GF			NCH Ltd Properties receiving service	NCH Ltd Properties as % of total	NCH Ltd Costs	NCH RP Properties receiving service	NCH RP Property Type	NCHRP Properties as % of total	NCH RP Costs	NCH EL Properties receiving service	NCH EL Property Type (not incl Fairham)	NCH EL Properties as % of total	NCH EL Costs	
							NCC GF Properties receiving service	NCC GF Properties as % of total	NCC GF Costs												
Board Governance	Fixed fee		5	1	20.00%	0	1	20.00%	0	1	20.00%	0	1	All, incl TA	20.00%	0	1	None	20.00%	0	
Finance	Fixed fee (weighted)		10	5	52.63%	0	1	5.26%	0	1	10.53%	0	2	All, incl TA	21.05%	0	1	All	10.53%	0	
Finance	Plus per property		25,926	25,038	96.57%	0	26	0.10%	0	302	1.16%	0	420	All, incl TA	1.62%	0	140	All	0.54%	0	
			25,744	25,038	97.26%	0	26	0.10%	0	120	0.47%	0	420	All, incl TA	1.63%	0	140	All	0.54%	0	
			25,744	25,038	97.26%	0	26	0.10%	0	120	0.47%	0	420	All, incl TA	1.63%	0	140	All	0.54%	0	
Estates and Caretaking (where tak	Fixed Fee				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0	#DIV/0!	#DIV/0!	0	2	All, incl TA	#DIV/0!	#DIV/0!	6	All	#DIV/0!	#DIV/0!	
Property Compliance *	Fixed Fee (to be agreed annually)		25,610	25,038	97.77%	0	26	0.10%	0	120	0.47%	0	286	All, incl TA	1.12%	0	140	All	0.55%	0	
Building/ Block Compliance #	Fixed Fee per block (TBA PA)		0		#DIV/0!	#DIV/0!	0	#DIV/0!	#DIV/0!	0	#DIV/0!	#DIV/0!	0	All, incl TA	#DIV/0!	#DIV/0!		All	#DIV/0!	#DIV/0!	
			25,744	25,038	97.26%	0	26	0.10%	0	120	0.47%	0	420	All, incl TA	1.63%	0	140	All	0.54%	0	
Fixed Fee Totals		0				#DIV/0!			#DIV/0!			#DIV/0!				#DIV/0!				#DIV/0!	
Combined Totals		0				#DIV/0!			#DIV/0!			#DIV/0!				#DIV/0!				#VALUE!	
* Property Compliance could include annual gas safety, smoke and CO detector checks, annual thermostatic mixer valves, 5-year electrical periodic, district heating servicing.																					
# Building/ Block Compliance to include fire alarm and systems testing, emergency lighting testing, water hygiene testing, didtrict heating checks.																					

NOTTINGHAM CITY HOMES**GROUP BOARD****REPORT OF THE HEAD OF GOVERNANCE AND
COMPLIANCE****5 OCTOBER 2023****ANNUAL REVIEW OF THE CORPORATE RISK REGISTER****1 EXECUTIVE SUMMARY**

- 1.1 This report details the progress of the Corporate Risk Register over the previous twelve months. Significant risks arising from the transition back to NCH were mitigated and managed at the time although a number of significant risks still remain for the residual NCH Group, specifically around finances, the Service Contract for staffing and business planning.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 **Notes and comments on the current position of the CRR.**

3 REPORT**Introduction**

- 3.1 The Group Board has overall responsibility for the Risk Management Framework and the management and control of risks throughout the Group, and specifically strategic risks. It has chosen to review the CRR annually to help fulfil this role. Both subsidiaries are responsible for managing their own risk registers and escalating any emerging risks to ARCC or the Group Board. ARCC has responsibility for the risk management process and reviews the CRR quarterly, escalating any risks to the Group Board where appropriate.
- 3.2 Discussions are taking place with NCC to transfer risks relating to repairs, social housing and staffing onto Council risk registers. These have been removed from the CRR as the Group currently does not have oversight of them. Once this exercise has been completed a revised Risk Management Framework will be taken to ARCC for consideration.

Transition to NCC

- 3.3 Significant changes have been made to the CRR over the past twelve months. To support the transition back to NCC the Company added a separate "Transition Risks" section to the CRR to ensure transitional risks were identified early and well managed. The section has subsequently been removed.
- 3.4 A joint Transition NCC/NCH Risk Register was created to support the transition project. Some of the biggest risks were mitigated as the project progressed but others remain. On the positive side, Oracle Payroll build was completed on time, NCC contracts were put in place for new starters from 1 April 2023, the transition ran to time with working relationships between NCH and NCC managers remaining strong throughout and constitutional arrangements were put in place to ensure NCC and NCH business continued to operate. In addition, the Group and RP have agreed

to pay their Board Members which has assisted with recruitment and retention to vacancies, and NCH EL is now populated with Independent Board Members, where previously positions were occupied by Executive Directors.

- 3.5 In recognition of the fact that the NCH Group no longer manages a repairs service or employs any staff ARCC agreed for the following risks to be removed from the CRR at its last meeting:-

PROP4 - Maintain a high performing VFM Repairs and Maintenance Service.

PROP5 - Ability to develop and fund a supply of new build home

PROP6 - Deliver existing new build contracts within time and budget whilst ensuring compliance to the relevant H&S legislation.

PROP7 - Ability to operate in a commercial environment and deliver a positive financial return to NCH.

PROP8 - Current supply chain issues and increasing energy costs impacting on the ability to provide existing services at current cost

PEOP2 - NCH recruits, develops and retains a high performing workforce, to deliver excellent customer services

Current and emerging risks

- 3.6 A number of significant risks remain to the Group post transition as follows

1. Constitution – Standing Orders and Constitutional documents are being completed that reflect the current governance arrangements for the Group.
2. A Service Agreement between NCC and the NCH Group for services is still outstanding. All NCH Boards have seen a draft but a fully costed version still needs to be signed off. Presently no money has been paid to NCC for the Group's staffing arrangements which could impact on budgets later on in the year. In addition NCH does not know how much the agreement will cost and how services will be managed. A risk to this effect has been added to the CRR.
3. Group Board, NCH RP and NCH EL Business Plans need to be reviewed once their future direction of travel has been established.
4. The Company is currently experiencing cash flow issues and NCH EL has had to request a repayment deferral on its current units' loans.
5. There is currently no lead officer for the NCH Group Ltd.
6. NCH RP is currently receiving a poor repairs and voids service from NCC which is increasing the time it takes properties to be fit to let and reducing income accordingly.
7. The Finance Team have raised the issue of long-term financial advice being available to the Group with the current Assistant Director (Finance) position due to leave in November.

- 3.7 These risks continue to be managed by the three Boards and ARCC quarterly, with high risks been escalated to the Group Board as required. Risks are more commonly understood between Boards now that NCH EL and the Group have the same Board Members. A Group Board member also sits on NCH RP.

Current Highest Risks

3.8 The key current risks with the highest scores are set out below

		Gross Risk Score	Current Risk Score	Target Risk Score/ Appetite
GOV1	Board is able to set strategic direction for the organisation and manage the risks associated with this.	12	9	3
GOV6	There is a Service Agreement in place detailing the staffing and management arrangements between NCH and NCC	12	12	1
FIN1	There is a clear financial plan which demonstrates viability and sustainability, with consideration to risks which may impact financial performance	12	9	4
FIN5	Ongoing liquidity concerns around the residual NCH Group and the ability to remain cash solvent	16	12	4

4 FINANCIAL, LEGAL AND RISK IMPLICATIONS

4.1 FINANCIAL IMPLICATIONS

4.1.1 Any financial implications in relation to the Risk Register are outlined in the report. The financial impact of key risks on the NCH budget are reported quarterly to Board.

4.2 LEGAL IMPLICATIONS

4.2.1 Risk Management Frameworks and Registers are not legally required except for specific types of assessment (e.g. those relating to health and safety, fire and environmental risks), however they are required by the regulators in a number of sectors, including registered social landlords, (RSH Governance and Finance Viability Standard), and are recognised good practice elsewhere. Legal requirements relating to registered providers are addressed in the separate Registered Provider Risk Register.

4.2.2 All NCH Company Boards supported by ARCC are responsible for understanding, identifying and managing all risks faced by their company, through assessing risk prior to making all key decisions. This should ensure that each Company is able to meet its objectives in the longer term

4.3 RISK IMPLICATIONS

4.3.1 Risk implications across the NCH Group are included in the register.

5 IMPLICATIONS FOR NCH RP's OBJECTIVES

5.1 The Group Risk Register supports all of the Company's objectives by ensuring there is effective management of NCH's services and activities.

6 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 Has the equality impact of these proposals been assessed?
 No (this report does not contain proposals which require an EIA)

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

7.1 Appendix 1 – Corporate Risk Register

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Date: 15 SEPTEMBER 2023

NOTTINGHAM CITY HOMES GROUP RISK REGISTER

Ref	Sub-Risks	Resp. Officer	Likelihood	Impact	Risk Score	Gross Risk Rating	Existing Controls	Likelihood	Impact	Risk Score	Current Risk Rating	Further Action Required	Target Risk/Risk Appetite
----	<i>This column details the risks within each risk category.</i>	<i>Person responsible for managing controls and further actions (may be more than one person)</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column provides details of the measures already in place to control each sub risk. These are the measures that are to be included in an audit programme.</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column specifies any further actions required to reduce the sub-risk to an acceptable level. These actions are the responsibility of the risk owner to implement / monitor</i>	<i>This column defines the acceptable level of risk., as defined by our risk appetite</i>
01	Board is able to set strategic direction for the organisation and manage the risks associated with this.	Head of Business Transformation/Head of Governance & Compliance	4	3	12	HIGH	a. Business development professional support is available b. Skilled and experienced ARCC able to provide challenge and assurance re: Risk Management c. Ongoing strategic direction of travel is being discussed with NCC d. NCH EL has set out a plan to dispose of its properties	3	3	9	HIGH	a. Completion of NCH EL and RP Business Plans and future management arrangements. b. Asset Disposal Strategy for NCH EL c. Longer term Group options to be agreed between NCC and NCH.	LOW
02	There is a highly skilled, diverse and well trained Board able to lead NCH	Head of Governance and Compliance	4	3	12	HIGH	a. Board constitution allows for a diverse appointment of people. b. There are appraisal, induction and training programme in place c. Recruitment is undertaken competitively d. Board Renewal Strategy approved and being implemented e. NCH EL Board is now replaced with Independent appointees f. A Board Remuneration Strategy has been agreed and is being implemented. .	3	2	6	MEDIUM	a. Recruitment to Board position for asset disposal b. Annual assessment of Board effectiveness statement to be put in place	LOW
03	There is a strong relationship with key stakeholders	Head of Governance & Compliance	3	4	12	HIGH	a. Board is regularly updated on NCC funding and direction of travel in reports. b. Board is regularly updated on work of other Committees and Boards c. Legal advice obtained re: relationship with NCC/CIPFA review d. Successful transition and TUPE to NCC.	1	3	3	LOW	a. EIA for NCH EL Asset Disposal Strategy	LOW
04	Information provided to Board is accurate, sufficiently robust so that Board is able to make an informed decision	Head of Governance & Compliance	3	4	12	HIGH	a. Committee cycle process is currently in place including b. Expert legal/finance/OD risk/ categories are populated in each report c. Skills matrices are in place to monitor Board Members specialism/expertise	2	2	4	LOW	None	LOW
05	We are compliant with the NHF Code of Governance and Industry best practice	Head of Governance & Compliance	3	3	9	HIGH	a. Current Governance Action Plan has been produced and work completed b. Risk management review complete and embedded c. NEDs now appointed to NCH EL Board.	1	3	3	LOW	a. Complete EIA on NCH EL Asset Disposal	MEDIUM

NOTTINGHAM CITY HOMES GROUP RISK REGISTER

02	FINANCIAL RISK	Financial risks are clearly identified and managed with strong financial controls to ensure financial viability									Risk Owner:	Andrew Berry Date of last review: September 2023	
Ref	Sub-Risks	Resp. Officer	Likelihood	Impact	Risk Score	Gross Risk Rating	Existing Controls	Likelihood	Impact	Risk Score	Current Risk Rating	Further Action Required	Target Risk/Risk Appetite
----	<i>This column details the risks within each risk category.</i>	<i>Person responsible for managing controls and further actions (may be more than one person)</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column provides details of the measures already in place to control each sub risk. These are the measures that are to be included in an audit programme.</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column specifies any further actions required to reduce the sub-risk to an acceptable level. These actions are the responsibility of the risk owner to implement / monitor</i>	<i>This column defines the acceptable level of risk., as defined by our risk appetite</i>
01	There is a clear financial plan which demonstrates viability and sustainability, with consideration to risks which may impact financial performance	AD Finance	4	3	12	HIGH	a. Annual budget produced and monitored b. Regular re-forecasting of financial performance at Board meetings c. Medium term cashflow agreement reached with NCC officers.	3	3	9	HIGH	a. Complete Business Plan including financial implications b. Complete Service Agreement with NCC c. Complete and implement Asset Disposal Strategy	LOW
02	There are strong financial controls in place to ensure income and expenditure is appropriately accounted for, statutory reporting requirements are met and risks are minimised	AD Finance	4	3	12	HIGH	a. Annual budget produced and monitored b. Regular re-forecasting of financial performance at Board meetings c. Medium term cashflow agreement reached with NCC officers. d. SO's, Financial regulations and procurement procedures in place and operating	2	2	4	LOW	a. Complete Business Plan including financial implications b. Complete Service Agreement with NCC c. Complete and implement NCH EL Asset Disposal Strategy	LOW
03	There are mechanisms in place to monitor and assess the new Asset Disposal Strategy	AD Finance / Head of Commercial Property & Contract Management	3	3	9	HIGH	a. Board has regular oversight of performance including monthly reports. b. NCH EL Board has agreed process for disposal	3	2	6	MEDIUM	a. Internal monitoring and management to be agreed (the replacement for EMT) b. Appointment of a suitably qualified and experienced Board Member.	LOW
04	Board & Management have clear financial oversight of the Group's financial performance and involvement in the planning process	AD Finance	3	3	9	HIGH	a. Regular financial reporting to EL Board b. Monthly reporting on ADS to Board Members c. Annual budget produced and monitored d. Regular re-forecasting of financial performance	2	3	6	MEDIUM	a. Internal monitoring and management to be agreed (the replacement for EMT) b. External factors including interest rates and Government Policy need to be clear in modelling	LOW
05	Ongoing liquidity concerns around the residual NCH group and the ability to remain cash solvent.	AD Finance	4	4	16	HIGH	a. Existing Healthy cash balance b. Engagement of Mazars to undertake I & E review and deliver a cashflow projection over the next twelve months c. Letter from NCC deferring debt repayment	3	4	12	HIGH	a. Apply the cashflow delta to the Mazars cashflow to ensure the asset disposal project remains cash positive b. Introduce stringent cashflow controls on payments and receipts with a hierarchy of approval and sign off c. Ensure expense budgets are properly understood and adhered to and PO commitments are controlled within these limits by budget owners	LOW

NOTTINGHAM CITY HOMES GROUP RISK REGISTER

03 Legal and regulatory compliance		NCH complies with all relevant statutory and regulatory requirements									Risk Owner: tbc		Date of last review: September 2023	
Ref	Sub-Risks	Resp. Officer	Likelihood	Impact	Risk Score	Gross Risk Rating	Existing Controls	Likelihood	Impact	Risk Score	Current Risk Rating	Further Action Required	Target Risk/Risk Appetite	
	<i>This column details the risks within each risk category.</i>	<i>Person responsible for managing controls and further actions (may be more than one person)</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column provides details of the measures already in place to control each sub risk. These are the measures that are to be included in an audit programme.</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column specifies any further actions required to reduce the sub-risk to an acceptable level. These actions are the responsibility of the risk owner to implement / monitor</i>	<i>This column defines the acceptable level of risk, as defined by our risk appetite</i>	
01	Board is aware of all of its regulatory and legal obligations and can demonstrate compliance with them	Head of Governance and Compliance	3	4	12	HIGH	a. Annual report produced outlining compliance with relevant regulations and legislation. b. All reports carry advice on related legal and regulatory requirements. c. A solicitor and legal advisory framework is available d. New Board Membership complies with NHF Code 2020. e. White Paper implications identified and being worked on by officers.	2	3	6	MEDIUM	a. Update Board Standing Orders. b. Understanding of future staffing arrangements to monitor this via a Service Contract	LOW	
02	Robust data management which enables company to meet obligations from RoSH & under GDPR/ICO and cyber security	Head of Governance and Compliance/ Head of Business Transformation	4	3	12	HIGH	a. Senior managers/DPO can provide advice and support through Service Contract .	2	2	4	LOW	a. Understanding of future staffing arrangements to monitor this via an SLA.	LOW	
03	Changes in Government Policy impact on operating environment and business model	Head of Business Transformation	3	4	12	HIGH	a. Changes to Government policy and their impact are regularly reported to the Board b. Regular updates on legislative and policy changes are provided to all NCH NEDs c. Board papers include a paragraph on the legal & risk implications applying to each report	2	3	6	MEDIUM	a. Agree Service Agreement with NCC.	LOW	

NOTTINGHAM CITY HOMES GROUP RISK REGISTER

04	PROPERTY	All properties comply with the decent home standard, are safe and are regularly repaired and maintained										Risk Owner:	Mark Lawson/Tim Shirley Date of last review: September 2023
Ref	Sub-Risks	Resp. Officer	Likelihood	Impact	Risk Score	Gross Risk Rating	Existing Controls	Likelihood	Impact	Risk Score	Current Risk Rating	Further Action Required	Target Risk/Risk Appetite
-----	<i>This column details the risks within each risk category.</i>	<i>Person responsible for managing controls and further actions (may be more than one person)</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column provides details of the measures already in place to control each sub risk. These are the measures that are to be included in an audit programme.</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column specifies any further actions required to reduce the sub-risk to an acceptable level. These actions are the responsibility of the risk owner to implement / monitor</i>	<i>This column defines the acceptable level of risk, as defined by our risk appetite</i>
01	Maintain 100% compliance with regulatory H&S requirements for the main six areas of compliance (Asbestos, Gas, Fire, Water, Electric, Lifts).	Head of Commercial Property/Executive Assistant	3	3	9	HIGH	a. There is a compliance control regime in place including quarterly reports and ARCC oversight b. Compliance is monitored monthly via the Building Safety Group c. Gas, EICR's, water hygiene, lifts, FRA & Asbestos testing regime is in place d. There is a competent fire safety professional to undertake risk assessments e. Audits are undertaken by Third party specialists	2	3	6	MEDIUM	a. Understanding of how this will be operated under a new Service Contract.	LOW
02	Meet the legal requirements for Building Safety that will become legislation in 2023.	Head of Commercial Property an	2	3	6	MEDIUM	a. Monitoring progress and compliance through ARCC and Board Performance papers.	1	3	3	LOW	a. Complete Service Contract to understand Health and Safety support to be received from NCC.	LOW
03	Maintain 100% compliance with the Decent Homes Standard and any associated amendments.	Head of Commercial Property an	2	3	6	MEDIUM	a. Monitoring progress and compliance through ARCC and Board Performance papers	2	2	4	LOW	a. Complete SLA to understand Health and Safety support to be received from NCC	LOW

NOTTINGHAM CITY HOMES GROUP RISK REGISTER

06	SERVICES	Effective management and engagement with residents give confidence in our ability to deliver key services										Risk Owner:	Mark Lawson/Tim Shirley Date of last review: June 2023	
Ref	Sub-Risks	Resp. Officer	Likelihood	Impact	Risk Score	Gross Risk Rating	Existing Controls	Likelihood	Impact	Risk Score	Current Risk Rating	Further Action Required	Target Risk	
-----	<i>This column details the risks within each risk category. These risks are peculiar to NCH RP Ltd.</i>	<i>Person responsible for managing controls and further actions (may be more than one person)</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column provides details of the measures already in place to control each sub risk. These are the measures that are to be included in an audit programme.</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column specifies any further actions required to reduce the sub-risk to an acceptable level. These actions are the responsibility of the risk owner to implement / monitor</i>	<i>This column defines the acceptable level of risk., as defined by our risk appetite</i>	
01	The Tenants voice is effectively heard and acted upon in the decision making related to the management of their homes	Head of Commercial Property/Executive Assistant	4	3	12	High	a. Quarterly reports on tenant satisfaction to both RP and EL Boards and to ARCC b. Feedback sought from temporary accommodation licensees (RP)	2	3	6	MEDIUM	a. Service Agreement to be confirmed with NCC b. EIA to be completed on Asset Disposal Strategy.	LOW	
02	Finding of serious detriment by the Housing Ombudsman or significant complaints referred to the Housing Regulator	Head of Commercial Property/Executive Assistant	3	3	9	High	a. Quarterly reports on tenant satisfaction to both RP and EL Boards and to ARCC b. Service standards agreed in conjunction with NCC c. b. NCH Group/ NCC Service Contract written, approved by NCH Boards and awaiting sign-off by NCC	1	3	3	LOW	a. Service Agreement to be confirmed with NCC b. EIA to be completed on Asset Disposal Strategy c.	LOW	
03	Reputational damage caused by failure to deliver services to agreed standards	Head of Commercial Property/Executive Assistant	2	3	6	Moderate	a. Quarterly reports on tenant satisfaction to both RP and EL Boards and to ARCC b. NCH Group/ NCC Service Contract written, approved by NCH Boards and awaiting sign-off by NCC	1	3	3	LOW	a. Service Agreement to be confirmed with NCC b. EIA to be completed on Asset Disposal Strategy c. Ongoing management of eviction notices on NCH EL properties	MEDIUM	
04	Tenants and other stakeholders appropriately challenge and hold NCH to account	Head of Commercial Property/Executive Assistant	3	3	9	High	a. Quarterly reports on tenant satisfaction to both RP and EL Boards and to ARCC b. Complaints process c. Exit surveys (RP)	2	3	6	MEDIUM	a. Service Agreement to be confirmed with NCC b. EIA to be completed on Asset Disposal Strateg	LOW	
05	Availability of resources to deliver customers' expectations with regard to service delivery	Head of Commercial Property/Executive Assistant	3	4	12	High	a. Quarterly reports on tenant satisfaction to both RP and EL Boards and to ARCC b. Resources carried forward from NCH management c. b. NCH Group/ NCC Service Contract written, approved by NCH Boards and awaiting sign-off by NCC	2	4	8	MEDIUM	a. Service Agreement to be confirmed with NCC b. EIA to be completed on Asset Disposal Strategy	LOW	

NOTTINGHAM CITY HOMES GROUP RISK REGISTER

05 PEOPLE		The wellbeing of residents, contractors and employees is embedded in everything we do.										Risk Owner:	tbc
Ref	Sub-Risks	Resp. Officer	Likelihood	Impact	Risk Score	Gross Risk Rating	Existing Controls	Likelihood	Impact	Risk Score	Current Risk Rating	Further Action Required	Target Risk/Risk Appetite
-----	<i>This column details the risks within each risk category.</i>	<i>Person responsible for managing controls and further actions (may be more than one person)</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column provides details of the measures already in place to control each sub risk. These are the measures that are to be included in an audit programme.</i>	<i>On scale of 1-4</i>	<i>On scale of 1-4</i>	<i>Likelihood x Impact</i>	<i>From NCH Group Risk Framework page 11</i>	<i>This column specifies any further actions required to reduce the sub-risk to an acceptable level. These actions are the responsibility of the risk owner to implement / monitor</i>	<i>This column defines the acceptable level of risk., as defined by our risk appetite</i>
01	Health and safety for tenants/properties is effectively managed and monitored (see also Risks PROP1,2,3))	Head of Health and Safety.	3	4	12	HIGH	a. Risk assessment processes in place for contractor related activities b. CDM processes and manager in place and regularly applied c. Accident reporting and monitoring system in place with NCC H&S Committee d. Regular HS reporting to RP and EL Boards.	2	4	8	MEDIUM	a. Service Agreement with NCC to be agreed.	LOW
02	Health safety and wellbeing of tenants and contractors is effectively managed and monitored	Head of Health and Safety.	3	4	12	HIGH	a. Health and Safety matters reported to both Boards and ARCC	2	4	8	MEDIUM	a. Service Agreement to confirmed with NCC Internal management reporting to be agreed (replacement for EMT) for property disposal process b. c. EIA to be conducted	LOW

NOTTINGHAM CITY HOMES LIMITED

THE GROUP BOARD

MINUTES of the CONFIDENTIAL MEETING held on 13th JULY 2023

Board Members

Madeleine Forster (Chair)
Kieran Timmins
Sam Webster

Also in Attendance:

Andrew Berry (AB)	Assistant Director (Finance)
Mark Lawson (ML)	Executive Assistant
Kevin Lowry (KL)	Strategic Director of Housing
Tracy Martin (TM)	Group Accountant
George Pashley (GP)	Head of Governance and Compliance
Mona Sachdeva (MS)	Company Solicitor
Tim Shirley (TS)	Head of Commercial Property & Contract Management

10. WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS

10.1 The Chair opened the confidential part of the meeting.

11. APOLOGIES FOR ABSENCE

11.1 Apologies were received from Vicky Evans.

12. DECLARATIONS OF INTEREST

None.

13. MINUTES OF THE MEETING HELD ON 30 MARCH 2023

13.1 The minutes of the meeting of 30 March 2023 were agreed.

It was noted that the Regulator had not yet asked if there was any Coroner interest in the death of three people at 23 Fairisle Close. A Freedom of Information request has been received from the Guyanese community and this was being worked on.

14. NCH COMPANIES DRAFT PID AND OPTIONS DISCUSSION PAPER

- 14.1 Following discussion at the Away Day that afternoon the Board requested that officers should set out a plan and timescales for the next steps on options for all three companies. This should be developed in conjunction with the request made by the NCH EL Board earlier for a brief to be developed to enable detailed options for the disposal of assets to be sought.

The Board AGREED that officers should bring back further details on options for the NCH Group, including timelines, and co-ordinate these with options surrounding asset disposal requested by NCH EL.

15. ANY OTHER BUSINESS

Arboretum

- 15.1 The Board received information on the options for the use of 27 vacant Arboretum apartments owned by NCH Ltd. 27 former HRA apartments (spread across 10 buildings plus a Coach House) were purchased from NCC in April 2020 on a 999-year lease, as part of their strategy to regenerate the Arboretum area. Some were currently uninhabitable while others were ready to be released for rental or sale. Options were required for each property to maximise the rent or sale that could be achieved for each one
- 15.2 Each lease is subject to covenants some of which would require relaxing, waiving or varying. NCC Legal have been approached about the possibility of this approach to inform possible sale of assets as an option. NCC is currently selling assets at the Arboretum and NCH is seeking that the covenants are aligned with the covenants of those sales for a 'like for like' market offer. NCH has also requested details of potential investor buyers/developers who could be approached for sale, but this has been refused at this stage due to GDPR constraints. Breach of covenants could directly impact on the saleability of the properties 'as is' on the open market this requires discussion with NCC as this could result in a lower valuation which in turn would impact on the return of the HRA surpluses NCC has requested.

The Board AGREED for officers to

- 1. work with NCC to release the covenants that exist in the leases to facilitate the sale of those properties not completed.**
- 2. Officers to obtain and estate agent (market) valuation of properties completed as well as a rental valuation of each flat.**

Management of the retained NCH Group

- 15.3 The Board discussed the support required of the retained Group and the position of the Strategic Director of Housing who feels conflicted by his position as advisor to both the Board and NCC. One option would be to create and appoint to a Chief Executive position someone who could provide dedicated support to the Group moving forward, possibly on a part-time basis. The finance to pay for this role

would be taken from the Service Agreement to be agreed between NCH and NCC. A job description for the role would be submitted to the Board for comment shortly/

The Board AGREED

1. to consider further the creation of a position of Interim Chief Executive to the Group and for a related job description to be created as a next step. Delegated to the Chair.
2. Identify which roles should transfer into the retained group including financial implications of transferring staff.

**DATE OF THE NEXT MEETING
To Be Confirmed.**

SIGNEDDATE.....

ACTION LOG

	ACTION	OWNER	COMPLETION DATE	UPDATE
1.	officers should bring back further details on options for the NCH Group, including timelines, and co-ordinate these with the work to be commissioned to discover options surrounding asset disposal requested by NCH EL	ALL	October 2023	
2.	Officers to work with NCC to release the covenants that exist in the leases to facilitate the sale of those properties not completed. Officers to obtain and estate	TS	With immediate effect	

	agent (market) valuation of properties completed as well as a rental valuation of each flat.			
3.	the creation of a position of Interim Chief Executive to the Group and for a related job description to be created as a next step. Determine outcomes for employment of "retained" NCH officers	MF/KL		

	ITEM: 3.2
NOTTINGHAM CITY HOMES	
	GROUP BOARD
REPORT OF STRATEGIC DIRECTOR OF HOUSING	5 OCTOBER 2023
NCC UPDATE ON NCH ACTIVITY	
1	EXECUTIVE SUMMARY
1.1	This is a summary report outlining a number of areas of progression in regard to NCC infrastructure as well as service issues including the Service Contract for NCC/NCH staffing arrangements and recent Ombudsman findings on NCH Disrepair cases. Paragraph 3.4 requires the Board to identify the corporate functions that it would want to include as part of any staffing transfer and make a request of the council. The Service Contract is discussed further in the NCH Board Update report.
2	RECOMMENDATIONS
	It is recommended that the Board
	1. NOTE the report and comment as required.
	2. AGREE the corporate functions that it would want to include as part of any staffing transfer and make a request of the council as set out in 3.4 below.
3	REPORT
	Service Contract
3.1	The service contract detailing services to NCH Group from NCC is now signed by NCC. It is attached to the report at 2.4 NCH Management Update. It now needs to be agreed and signed by all three Boards of the NCH Group and a recommendation is included in the NCH Board Update report. A lead officer is required for all three companies to monitor the delivery of the contract and services for their respective properties and to formalise any issues to the Council. To date no payment has been made to NCC although services have been provided. Upon receipt of the fully signed agreement, it will be anticipated that the Council will invoice for the services to date.
3.2	The service contract was developed by colleagues working primarily for and on behalf of the NCH group and reflects the inter group agreement that existed before the termination of the partnership agreement.

	Shareholder member
3.3	Board may be aware that the Council is undertaking a wide-ranging review of the governance of its subsidiary companies. This includes recruitment of remunerated council nominees to the Board and also to the role of Shareholder member. This is required as part of the Improvement and Assurance Board work and being overseen by the Council's Companies Governance committee. The Council is seeking to create a pool of suitably qualified shareholder members. This work is in progress but means that the permanent shareholder member for NCH has not yet been identified. NCC are considering an "Interim" shareholder member but at the time of writing there has been no appointment made. In the meantime, Neil McArthur, Head of Companies and Commercial Oversight, will act as the Council's Member Representative to NCH.
	Staffing capacity
3.4	The Council recognise the challenges that NCH Group face with no direct employees. At a recent review it supported the concept of transferring up to 5 colleagues (to be identified) to NCH. <i>"Identify the core management team (max. 5 people) who could be seconded back to NCH if requested"</i> . <u>The Board is invited to identify the corporate functions that it would want to include and make a request of the Council.</u> The terms of the service contract and fees could be amended where appropriate to assist funding this secondment.
	Assurances on statutory compliance and building safety
3.5	The Council have recognised its duty to ensure that the NCH properties are properly maintained and in particular that compliance and safety checks are happening and can be validated. A report on compliance is presented elsewhere on the Board agenda and will be presented to ARCC on 9 October.
	Secretary of State Letter- Ombudsman's Serious Maladministration judgement
3.6	On 16 August the Secretary of State for Levelling Up, Housing & Communities, Minister for Intergovernmental Relations, Rt Hon Michael Gove, wrote to the Chief executive of the Council. It was stated in the opening paragraph that <i>"I write following findings by the Housing Ombudsman of severe maladministration for Nottingham City Homes' failings in making repairs to a vulnerable resident's home."</i> (Appendix 1) The specific case was not referenced in the letter, and we have had to draw a conclusion from the case details contained within the letter. It relates to a case that was between June 2020 and May 2022. The

	<p>original severe maladministration was reported to the NCH Board on 29 September 2022. (Appendix 2)</p> <p>The Chief Executive wrote to the Secretary of State on 22 August 2023 (Appendix 3). This is the third determination of severe maladministration that have been made against the former NCH partnership agreement work in the last year. It does reflect a number of serious operational weaknesses that the Council have discovered, particularly in the area of repairs and maintenance. In addition to the ombudsman judgements, we are losing disrepair claims on a large scale, breaching court orders and being unable to defend insurance claims. The council is commissioning a deep dive review of the repairs and maintenance service by a suitably qualified external agency to expose all risks. These issues are also reflected in the adverse Tenant satisfaction Measure returns we are receiving.</p>
4	FINANCIAL, LEGAL AND RISK IMPLICATIONS
4.1	<u>Financial Implications</u>
4.1.1	As set out in the report.
4.2	<u>Legal Implications</u>
4.2.1	As set out in the report.
4.3	<u>Risk Implications</u>
4.3.1	The risks concerning the Service Contract and staffing of the NCH Group have been highlighted and included in the Group Risk Register. The actions outlined in the report should help mitigate these risks.
5	IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES
5.1	None.
6	EQUALITY AND DIVERSITY IMPLICATIONS
6.1	<p>Has the equality impact of these proposals been assessed?</p> <p><input type="checkbox"/> Yes (EIA attached)</p> <p><input checked="" type="checkbox"/> No (this report does not contain proposals which require an EIA)</p>
7	BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT
7.1	Appendices set out in the report.
Contact officers:	Name: Kevin Lowry
	Address Nottingham City Council

	Tel: 07808281355
	E-mail: kevin.lowry@nottinghamcity.gov.uk
Date: 28 SEPTEMBER 2023	





Department for Levelling Up, Housing & Communities

M Barrett
Chief Executive
Nottingham City Council
Loxley House
Station Street
Nottingham
NG12 3NJ

Via email only

Rt Hon Michael Gove MP
*Secretary of State for Levelling Up, Housing
and Communities*
Minister for Intergovernmental Relations

***Department for Levelling Up, Housing and
Communities***

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

www.gov.uk/dluhc

16 August 2023

Dear Melbourne,

I write following findings by the Housing Ombudsman of severe maladministration for Nottingham City Homes' failings in making repairs to a vulnerable resident's home.

In this case, your organisation left numerous repairs jobs outstanding, including water coming in through the front and rear doors for over two years. You also failed to act on other repairs which resulted in the resident being left without a working toilet. When the Ombudsman undertook his investigation, several repairs remained outstanding.

Your poor response to the repairs and your sub-standard record keeping had an adverse effect on both the resident and her daughter. The length of time you took to act on the complaints made by this vulnerable resident is unacceptable and should not have been allowed to happen. Your performance in this case fell below what your residents should expect to receive.

This Government has been clear that social housing residents must be able to put their trust in their landlords to provide a decent home and deal with complaints effectively. The health and safety of tenants should be paramount. You cannot be complacent where there are risks to a tenant's wellbeing. It should not take two years to carry out repairs of this nature. I am deeply disappointed by such inaction.

The Social Housing Regulation Act 2023 has brought in a new regulatory regime to support this Government's commitment to driving up standards and holding landlords accountable for providing social housing residents with decent homes.

I understand that you have apologised unreservedly to the resident and that you claim to have learnt from this case. I will take a personal interest in how your organisation continues to deliver its responsibilities to its residents.

I am copying this letter to Alex Norris MP, Nadia Whittome MP, Lillian Greenwood MP, Councillor David Mellen, Councillor Kevin Clarke, the Select Committee for Levelling Up, Housing and Communities, and to the Housing Ombudsman.

Yours ever,

A handwritten signature in black ink that reads "Michael Gove". The signature is written in a cursive style with a large initial 'M' and a long, sweeping underline.

Rt Hon Michael Gove MP
Secretary of State for Levelling Up, Housing & Communities
Minister for Intergovernmental Relations

NOTTINGHAM CITY HOMES LIMITED

THE GROUP BOARD

MINUTES of the **CONFIDENTIAL MEETING** held on **29 SEPTEMBER 2022** via Microsoft Teams.

Board Members

Madeleine Forster (Chair)
Vicky Evans
Michael Savage

Also in Attendance:

Stephen Feast	Director of Transition
Alison Brown	Director of Property
James Howse	Director of Corporate Resources
Samantha Barlow	Governance Manager
Darren Phillips	Head of Governance and Compliance
Paul Stanley	Head of Development Lettings
Kevin Lowry	NCC Director for Housing

5.1 CONFIDENTIAL MINUTES OF THE MEETING ON 30TH JUNE 2022

The minutes were agreed as a true record. The Chair approved the signing of the minutes.

5.2 HOUSING OMBUDSMAN INVESTIGATION

- 5.2.1 SF expressed his disappointment in having to table this report, however, advised that there was almost an element of inevitability that this would arise. That said, it was agreed that it is sometimes how you deal with these matters, with review being undertaken on how we could have made different decisions. Furthermore, NCH have acted swiftly and reviewed the process in order to avoid any future investigations.
- 5.2.2 SF highlighted that the level of disappointment from the members of staff involved was high as they felt the Ombudsman's decision did not reflect the challenges that the tenant presented, such as not allowing NCH access to the property, as well as various other problems.
- 5.2.3 The Board also expressed their disappointment, however, were in agreement that NCH no longer work in that way and have also learnt from what could have been

done differently. Notwithstanding this, the Housing Ombudsman are also more than likely on their own learning curve. Furthermore, it was agreed that more regular reporting of Housing Ombudsman cases is required, and these will be brought to Board in the future in a redacted format.

5.2.4 The Board NOTED the report.

5.3 NEW BUILD HOUSING PROGRAMME SUMMARY REPORT

5.3.1 Paul Stanley joined the meeting as gave the Board a brief summary of his report into the current situation of New Build within NCH.

5.3.2 For the main, and the most important part of the report, PS advised that on 14th September NCH received a notification of the Notice to cease trading by Robert Woodheads Ltd.

5.3.3 The current situation is that NCH are working with NCC to understand our options with regards to the contract (which is currently suspended). One option being that Lovells takes over the work, due to already working on another site for NCH close by and varying their current contract.

5.3.4 It was confirmed that immediate action was taken to secure the site, with 24-hour security, due to unfortunately being prone to anti-social behaviour.

5.3.5 The Board NOTED the report.

DATE OF THE NEXT MEETING

The next scheduled meeting is due to take place on 1st December 2022.

The meeting closed at 19:28

SIGNEDDATE.....

My Ref: MB/Correspondence/

Ref:
Contact:
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22 August 2023

Dear Secretary of State

Failure to Undertake Housing Repairs

I write further to your letter dated 16 August 2023 which referenced the findings of the Housing Ombudsman, of the council through its then Managing Agent Nottingham City Homes failure to make timely repairs to a vulnerable resident's home dating from 2020 through to 2022.

I can confirm that the council is addressing the matter fully in accordance with the Ombudsman's findings. The council has apologised unreservedly to the resident and is undertaking a review of its Complaint Handling Policy with reference to the Ombudsman's Complaint Handling Code to be completed within ten weeks of the Ombudsman's determination.

On 28 April 2022 the council took the decision to terminate its arm's length management arrangements for its council housing, and this was achieved with effect from the beginning of April 2023. This initial post transfer period has involved a degree of reality checking the services previously provided by the ALMO, collating satisfaction data from a broader range of tenants than was the case previously and learning the lessons of where things have not gone right, including through Housing Ombudsman reports. We welcome the Social Housing Regulations Act and the emphasis that it places on tenant centred services and conduct.

The findings of the Ombudsman in this case have underpinned the importance of the transformation and improvement underway in relation to our housing service and I have today written to the Housing Ombudsman. I have invited him to visit Nottingham to see evidence of the improvements that are underway and to hear directly from tenants and leaseholders, in the context that our improvement work is also about ensuring that they have a greater voice and that our services are more proactive and responsive in this area.



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I am sorry that the circumstances arose which resulted in you having to write to the council in this regard. A copy of this letter goes to those included in the original circulation.

Yours sincerely

Melbourne Barrett
Chief Executive
Nottingham City Council

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