

NOTTINGHAM CITY HOMES LIMITED
GROUP BOARD MEETING



Date: 13 FEBRUARY 2025
Time: 3.30pm
Place: Loxley House, Station Street

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

	Time
1 INTRODUCTORY ITEMS	
1.1 WELCOME	
1.2 APOLOGIES FOR ABSENCE	3.30
1.3 DECLARATION OF INTERESTS	
1.4 ITEMS FROM THE CHAIR	
1.5 MINUTES OF THE MEETING HELD ON 12 DECEMBER 2025	3.35
1.6 MATTERS ARISING	
2 ITEMS FOR DISCUSSION AND DECISION	
2.1 FEEDBACK FROM NCH RP BOARD	3.35
2.2 GOVERNANCE REPORT Head of Governance and Compliance	3.45
2.3 CHIEF OPERATING OFFICER REPORT Chief Operating Officer	3.55
2.4 BUDGET SETTING AND QUARTERLY FINANCE REPORT Assistant Director of Finance	4.10
2.5 QUARTERLY PERFORMANCE REPORT Executive Assistant	4.40
2.6 TEMPORARY ACCOMMODATION – SURRENDER OF LEASES Executive Assistant	5.00

- 2.7 RENT SETTING IN NCH AFFORDABLE RENT HOMES
Executive Assistant/Group Accountant

ITEMS FOR INFORMATION

- 2.8 ASSET REGISTER 5.15
Head of Commercial Property and Contract Management

3 CLOSING ITEMS

- 3.1 ANY OTHER BUSINESS
- 3.2 DATE OF NEXT MEETING IF REQUIRED – 10 APRIL 2025
(via MICROSOFT TEAMS)

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 George.pashley@nottinghamcity.gov.uk.

Distribution List:

All Group Board Members:
NCC Shareholder Representative

Report Authors; Mark Lawson, George Pashley, Andrew Berry, Tracy Martin, Tim Shirley, Liz Cook

* Members of the public wishing to attend this meeting should email George.pashley@nottinghamcity.gov.uk for joining details

ITEM: 1.5

NOTTINGHAM CITY HOMES LIMITED

THE GROUP BOARD

MINUTES of the **MEETING** held on **12 DECEMBER 2024**

Board Members

Madeleine Forster (MF) (Chair)
Mark Martin (MM)
Monni Ryatt (MR)
Natalie Shaw (NS)
Kieran Timmins (KT)

Also in Attendance:

Liz Cook (LC)
Mark Lawson (ML)
Tracy Martin (TM)
George Pashley (GP)
Tim Shirley (TS)

Chief Operating Officer
Executive Assistant
Group Accountant
Head of Governance and Compliance
Head of Commercial Property and
Contract Management

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1 WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS

The Chair welcomed everyone to the meeting. She and LC had met with Commissioners since the last meeting. While there had been lots of positive dialogue more progress was needed on NCH's position.

2 APOLOGIES FOR ABSENCE

2.1 Vicky Evans and Sam Webster.

3 DECLARATIONS OF INTEREST

3.1 MM declared that he had been approached by someone who had picked up details of his NCH Board membership from Companies House. They were interested in getting information on current NCH Group property sales. MM had informed him that he wasn't interested in the call and had ended the conversation. The caller had feedback that some the properties in the Arboretum were problematic and might prove difficult to sell.

4. MINUTES OF THE MEETING OF 24 SEPTEMBER 2024

4.1 The minutes of the meetings held on 24 September were agreed as a true record.

5. CURRENT ACTION LOG

5.1 The current action log is detailed below for information.

	ACTION	OWNER	COMPLETION DATE	UPDATE
1.	Internal audit program including data integrity to be brought back to a future Board Meeting Copy of NCC Savills DI audit to be obtained from NCC	ADF/HGC COO	February 2024 February Board	Awaiting formal NCH response to the audit.
2.	Advice on the impact of NCH RP attaining CBS to be fed back to the Group	Exec Asst	ONGOING	RP has agreed to go ahead with CBS status.
3.	HAVS and Governance correspondence to be circulated to Board/NCH RP	COO	ASAP	Completed. Awaiting HSE response.
4.	Alternatives to the NCC Service Contract to be considered	EA	December 2024	2 alternative contractors being used for emergency works.
5.	Further information on NCH Emergency	GP	February 2025	NCH's Emergency Planning processes are built into NCCs.

	Planning to be provided			An out of hours repairs and emergency response service is in place and these have recently been reviewed. NCC is currently reviewing Councilwide processes following a recent audit.
6.	Recent Commissioners update to be provided to Board			Distributed following the December Board Meeting.
7.	TS to check whether any touchpoint data was available and report back.	TS	February 2025	

6. NCH RP UPDATE

6.1 KT provided an update from the NCH RP Board. The Board had raised its concerns over the performance data it was receiving, and the standard of work being carried out by NCC. It had received an e-mail from the Regulator requesting a meeting which would take place on 20 December. A discussion had also taken place about conflicts of interest, with the Board acknowledging that in some cases it was possible that its members might work for organisations who had an interest in NCH business e.g. disposing of some of its properties. The Chair, LC and GP were meeting with a Governance Specialist to talk through how best to manage this.

7. CHIEF OPERATING OFFICER UPDATE REPORT

7.1 LC outlined the current position on Business Planning. A timeline for decision making had been drafted and submitted to NCC for agreement. A comprehensive risk assessment is also being drafted setting out the risks to NCC of not making timely decisions to enable the closure of NCH. MF stated that they we needed to be clear as to where and when the key decisions on the future of NCH would be made, and ask Nicki Jenkins when we can expect approval of the proposed three-year program.

7.2 NCH had not formally responded to the Data Integrity Audit as had been promised. Verbal assurances had been given but this was not sufficient to deal with the issues that had been raised. MF said that we needed to ask NCC about their framework for measuring assurance in housing. They had received a report on Data Integrity from

	Savills and we needed to ask for a copy. So far only the covering letter had been provided.
7.3	Commissioners had recently made available their first report into their work at NCC. A copy would be circulated to the Board.
7.4	The Board noted the two Part 2 reports detailing NCC's response to the Grenfell tragedy. It was important that NCH continued to focus on its health and safety priorities including its 4 larger flatted blocks. The Board requested further information on Emergency Planning in NCH.
	The Board
	1. NOTED the report
	2. AGREED for more information to be obtained on NCC's timetable in relation to key NCH decisions, and when it could expect approval for its three-year program
	3. AGREED for officers to obtain a copy of the Savills report on NCC Housing Services Data Integrity
	4. AGREED for a copy of the recent Commissioners report to be circulated
	5. Further information on Emergency Planning to be provided at February 2025 Board.
8.	FINANCE MONITORING – QUARTER 2
8.1	NCH Ltd generated a profit of £11k compared to a budgeted loss of £49k for the period, a positive variance of £60k. The improved financial position is mostly due to unbilled repairs which are expected to be invoiced in the latter half of the year. The Group is forecasted to make a loss of £1.787m in 2024/25, consisting of losses in NCH Ltd of £1.202m and in NCH EL of £827k and profits of £243k in NCH RP Ltd.
8.2	The Board also agreed a proposal to write off £39,062 debt mostly relating to monies owed by former employees.
8.3	NCH is projected to have £6.4m in cash as at 31 st March 2025, of which just.£96k relates to NCH Ltd ongoing trading activities. The remainder is derived from HRA management fee
	The Board NOTED the report and approved the write off aged external debtor balances as set out in set out in 4.1 of the report, subject to a final review/chase of a selection of higher value debts
9.	SERVICE CONTRACT
9.1	The Contract had now been signed by NCC. ML confirmed that it was as good as it can be. Three notices had recently been served under it – on a disrepair defence claim to a rent possession, rent arrears collection/arrears failure and failure to deliver a timely and effective damp and mould service. There had been no formal response to any of the notices even although one had gone beyond the 10 day response period. MF stated that an NCC lead officer was needed who could attend NCH Board Meetings to explain what was being done to manage performance. MF said we would need to choose our

	complaints carefully so that they were more complex and strategic, rather than just flooding NCC with paperwork.
9.2	KT stated that NCH need to understand whether the recent increase in employer NI contributions impacted on its finances including costs passed on by NCC.
9.3	Whilst a procurement exercise is being explored, it has been agreed that the Council's contract with Warburton Services Limited can be extended and used to undertake NCH emergency repairs if NCH Housing Services were unable to fulfil.
	The Board APPROVED the Nottingham City Council / Nottingham City Homes Group Service Contract 2024/25 and signing of the contract by the Chair on behalf of NCH and NCH EL.
10.	MIDLAND HOUSE LEASE
10.1	The report sought approval to enter into a new 3 year lease with NCH RP for Midland House to be used as temporary accommodation for homeless families. The offer of a lease is subject to approval by the NCH RP Board
	The Board APPROVED a new 3 year lease of Midland House to NCH RP, effective from 26 December 2024.
11.	PERFORMANCE MONITORING – QUARTER 2
11.1	There have been 3 permanent NCH RP homes relet in 2024/25 to date, all Housing Led, with re-let times of 64 days, 148 days and 276 days. Of the NCH RP temporary accommodation let in Quarters 1 and 2, the NCC serviced properties have an average relet time of 58.1 days (52 properties) although it has been general repair work that has delayed relet rather than traditional void turnaround activities. Externally serviced temporary accommodation was turned around in an average of 7.4 days (44 properties)
11.2	Gas Safety compliance has always been at 100% but NCC had changed their approach in August and were no longer capping properties on a third visit. In light of this NCH proposed to undertake an assessment of vulnerability after a second visit and determine whether the property should be capped or not. An update on progress would be reported back to ARCC in January.
11.3	KT asked if the repairs service undertook a touchpoint survey after each visit. ML thought that it did and undertook to provide further information. It was another poor report and Geoff Wharton needed to come along and explain to Board what he was doing to improve performance.
	The Board NOTED the report.
12.	HEALTH AND SAFETY POLICY

12.1	The policy had been updated with more detail including a comparison with the wider housing sector. NCC's Health and Safety service is currently under review so it is unclear who will be providing longer term advice to Board after March 2025. KT asked for information on NCC's Health and Safety Accountable Person" for the next meeting.
12.2	Board requested that the Health and Safety reporting structure is clearly set out in the policy
	The Board AGREED the Health and Safety Policy subject to the reporting process being clearly set out in the document.
13.	ASSET REGISTER
13.1	The marketing of the Arboretum portfolio had commenced. To date eight people have shown some interest but not made any formal offers. Comments from the parties that have viewed are around the leasehold requirements within the four leases. The 10 units at 105 and 109 Forest Road West have also had their marketing details completed, marketing commenced in November and viewings are underway. The Arboretum Disposal Strategy will be reviewed at the end of March
	The Board NOTED the report.
14	ANY OTHER BUSINESS
	None.
15	DATE OF NEXT MEETING
15.1	13 February 2025@ 5.30pm.

NOTTINGHAM CITY HOMES GROUP BOARD

THE BOARD
13 FEBRUARY 2025

GOVERNANCE REPORT

HEAD OF GOVERNANCE AND COMPLIANCE

1 EXECUTIVE SUMMARY

- 1.1 The report includes an update on succession planning in NCH RP. A Succession Plan has been proposed and it is hoped that recruitment for Independent vacancies can start in March.
- 1.2 A review of Board and Committee member tenure is included as is a summary of the recent appraisal outcomes and an update from last week's ARCC meeting. The Board is also asked to note the update from ARCC on 4 February and agreed the Audit Plan attached at Appendix 2.

2 RECOMMENDATIONS

2.1 The Board is asked to:

1. **NOTE the progress on NCH RP succession planning and Board Appraisals**
2. **AGREE to extend existing Board and Committee member contracts to 31 March 2026, subject to the outcome of the review of NCH RP and Group Board member tenure as set out in 3.3.2 below.**
3. **NOTE the update from the recent ARCC meeting.**
4. **AGREE the Audit Plan as recommended by ARCC.**

3 REPORT

3.1 NCH RP SUCCESSION PLANNING UPDATE

- 3.1.1 The NCH RP and Group Boards have previously considered the issue of Board Tenure and Succession Planning in NCH RP. There are currently only four members on the NCH RP Board when the usual number is six. In addition, two members' tenure will exceed eight years by the September AGM with another member exceeding six years tenure at the same time. Under the NHF Code of Governance six years is considered the normal time a Board Member should spend on any Board. Only under exceptional circumstances should this period be extended up to a maximum term of nine years.
- 3.1.2 As well as this, only one of the existing four NCH RP Board Members is an Independent. There has also been some discussion on potential conflicts of interest on the Board as NCH Group considers how and when to dispose of its assets.

3.1.3 The Group Board Chair took advice on these issues from Martin Lewis, a Governance Consultant based with Devonshires Solicitors. A note of this meeting is attached at Appendix 1. In summary, the meeting concluded that NCH RP must provide assurance to the Regulator that succession was being resolved in a timely manner. In order to do this, the RP Board (under the guidance of the Group board) should:

1. Understand what skills and knowledge it needed to govern for the foreseeable future.
2. Understand when existing board members shall step down from the board.
3. Recruit sufficient numbers of new board members to meet the skills and knowledge requirements and exceed the minimum number of board members.

3.1.4 The Chairs of the Group and NCH RP Boards met on 21 January 2025 to discuss the above and agree a way forward on succession planning. They considered that it was important to keep NCH RP stable and acknowledge the value of longstanding members; while also being able to satisfy the Regulator that a Succession Plan was being put in place. The main option considered was for the two longest standing Board Members (Mike Bent and Paul Moat) to stand down at the September 2025 AGM and for Vicky Evans and Kieran Timmins to remain on the Board for one more year. This would maintain stability and allow time for new members to be recruited and inducted onto the Board.

3.1.5 Based on the above it was agreed for the following succession plan to be considered by the NCH RP Board. An update will be given at this meeting of the Group Board.

- Mike Bent and Paul Moat to stand down from NCH RP at the September 2025 AGM
- Vicky Evans to remain on the Board until September 2026
- Kieran Timmins to remain on the Board until his three-year term is complete on 30 November 2025 and for a further decision to be made at that time
- For three or four new Independents to be recruited to the Board
- For recruitment to commence at the earliest opportunity.

3.2 BOARD APPRAISALS

3.2.1 The Board has recently undertaken appraisals for its members. The Group Chair appraisal was carried out by the Chief Operating Officer and Chair of ARCC. The targets set for the Chair are as follows:-

1. Achieve closedown of NCH EL by end March 2025 (now September 2025 due to NCC delays)
2. Provide leadership to achieve decisions on future of NCH and NCHRP to deliver a sustainable medium-term plan and disposal of assets with clear progress to achieve outcomes by the end of 2025 ensuring confidence over going concern throughout the process

3. Improvements in service delivery evidenced through reliable performance information and a strengthened service contract
4. Plan a Board away session to consider governance following Trowers report.

A summary of the objectives set for the rest of the Board is set out below

- To achieve best returns from portfolio disposals
- Contact the s151 officer in order to clarify the decision-making process for NCC
- Take a leading focus on sales proposals for each cohort, challenging staff in order to maximise value to the NCH group and minimise risk.
- Lead on Building Safety ensuring compliance with industry standards, assessing and mitigating fire risks and addressing issues related to damp and mould.
- Assist in the consideration of alternative service provider options to minimise risk of service failure
- Ensure that the executive and board are looking at best practice elsewhere, and benchmarking performance
- To speak to the Council Portfolio Holder with housing responsibility to understand the current thinking at NCC member level
- To focus on data regarding performance monitoring, and focus on solutions if performance does not improve
- Focus on developing and implementing the strategy for the future of the RP
- Keeping a clear eye on the service provided and working on how to ensure service failures are addressed most effectively

The Board is asked to NOTE progress on Board Member appraisals.

3.3 BOARD AND COMMITTEE TENURE

3.3.1 All non-executive Board and Committee member *contracts* are due to expire on 31 March 2025. The Board agreed last February to extend them for a further year. NCC has previously indicated that this is an NCH Board decision to make. A significant amount of the Business Plan including the asset disposal aspects were due for completion at the end of March 2025, but this has now extended to September 2025 at the earliest and the Business Plan has up to a further three years to run. We are therefore going to need Board Members for some time yet.

3.3.2 In these circumstances the Board should extend contracts for a further twelve months to ensure stability across the Group. This would be subject to the outcome of the current discussion on NCH RP succession planning. In addition, some Group Board Members will complete their first three-year term shortly and further extensions will also have to be agreed with them separately.

The Board is asked to AGREE to extend existing Board and Committee member contracts to 31 March 2026, subject to the outcome of the review of NCH RP and Group Board member tenure set out in 3.3.2 above.

3.4 UPDATE FROM ARCC

3.4.1 The **Audit Risk and Compliance Committee** met on 4 February. It agreed to recommend the Audit Plan presented by Bishop Flemming to the three NCH Boards. It also considered current Internal Audit provision which consists of the

Data Integrity Audit and an audit of NCH Repairs which is included in the Council wide Audit Plan. ARCC agreed to await the action plan due in response to the recent NCC Housing Services regulatory visit before deciding whether further audit provision was required. It also agreed to support the Chief Operating Officer's response to the NCC action plan on the Data Integrity Audit which was considered limited with no timescales or resources allocated to it its proposals.

- 3.4.2 ARCC also provided its views on risk for the Board Away Day. It includes support for a single Company Risk Register and retaining the existing framework and scoring matrix. There was support for officers to further escalate concerns over Damp and Mould and to serve a second notice on NCC HS for failure to provide and effective damp and mould service

The Board is asked to NOTE the update from the ARCC meeting on 4 February 2025.

3.5 AUDIT PLAN

- 3.5.1 The Bishop Fleming audit plan proposal for the group was presented to the ARCC on Tuesday 4th February by their senior partner, Nathan Coughlin. The plan at Appendix 2 covers the NCH Group, NCH, NCHRP and NCHEL and includes details around the letter of engagement, materiality levels that will be worked to and a list of the significant audit risks within the group that will be reviewed along with the audit approach that will be adopted. The key areas remain the valuation of the HRA Repayment and the consideration of the going concern status of the three companies, given the levels of material uncertainty that exist. The audit team will be led by Molly Yorke, who replaces our previous audit lead, Charlie Martin, who has progressed within Bishop Fleming.

- 3.5.2 The proposed fee structure covering the audit base fee, potential for scope changes, corporation tax advice and accounts preparation is set out in the report. These are in line with 2024 with an average 3% inflation increase. The initial audit timescale is to have a set of year end draft accounts ready for presentation at ARCC on 23rd June, with the formal audit report and Key Issues For Discussion presented to ARCC on 8th September, in advance of the AGM's on 11th September where the accounts will be approved by the Board. Following the presentation, ARCC have made a recommendation to the Boards of the three companies to approve the audit plan.

The Board is asked to AGREE the Audit Plan for year ending 2025 including agreement on behalf of NCH EL.

4 **FINANCIAL, LEGAL AND RISK IMPLICATIONS**

4.1 Financial Implications

- 4.1.1 There will be a potential spend of c£25k on recruiting new NCH RP Board Members.

4.2 Legal Implications

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

processes and compliance with the Regulator of Social Housing's requirements. Noncompliance should be discussed with the Regulator by way of co-regulation.

4.3 Risk Implications

- 4.3.1 The Board needs to ensure that it has members with the right skills to conduct its business and that the Regulator has assurance that a Board Succession Plan is in place and being acted on.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 5.1 None arising from the report.

6 EQUALITY IMPACT ASSESSMENT

- 6.1 Has the equality impact of these proposals been assessed?

Yes (EIA available upon request)

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 Board and Committee minutes.

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DATE: 24 JANUARY 2025

2.2 APPENDIX 1

Briefing Note

This briefing note does not represent formal legal advice, rather a set of practical suggestions to overcome the matters under discussion.

Background

A meeting was held between Madeleine Forster (Chair of NCH), Liz Cook (operation lead at NCH), George Pashley (governance lead at NCH), and Martin Lewis (governance consultant), Devonshires Solicitors, on Thursday, 19 December 2024 at 10.00 a.m.

It was noted that Nottingham City Homes consisted of a parent company/board, a commercial subsidiary/board, and a registered provider subsidiary/board. The matters under discussion related to the registered provider board.

Matters discussed were:

1. The potential for conflicts of interest arising in meetings because of external interests; and
2. Ensuring the RP board retained the necessary skills and composition to demonstrate compliance with the Regulator of Social Housing's Standards.

Conflicts of Interest

The meeting discussed the potential for conflicts of interest arising when NCH Group appointed board members with the requisite skills, who were also locally based. This could give rise to a clear and persistent risk of conflicts of interest where business interests align. This was especially true with NCH Group and NCH RP strategically reviewing asset disposals, potential stock transfers and responding to NCC commissioning under the Temporary Accommodation Service Contract. Although board members wouldn't necessarily benefit personally from such transactions, from a public confidence perspective if the matter was not handled properly then there could be reputational damage. There is the potential for other organisations to benefit and possible challenges from other contractors. The meeting concluded that once the risk of a conflict of interest was deemed clear and persistent, it would be normal for the board member to resign.

Board succession

The Regulator of Social Housing regards board succession as an important aspect of good governance and requires registered providers to adopt a recognised code of governance to inform its approach to appointing and renewing board membership. It was noted that the current membership of the RP subsidiary board was four, which was below the minimum requirement of six, to ensure the balance of independents and direct appointees.. It was also

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noted that three of the four board members will have exceeded six years' service by the next AGM; which was the standard term limit. It was noted that the RP may consider declaring this when engaging with the Regulator.

The meeting concluded that it must provide assurance to the Regulator that the succession was being resolved in a timely manner. In order to do this, the RP board (under the scrutiny of the Group board) should:

1. Understand what skills and knowledge it needed to govern for the foreseeable future.
2. Understand when existing board members shall step down from the board.
3. Recruit sufficient numbers of new board members to meet the skills and knowledge requirements and exceed the minimum number of board members.

In practical terms this required an immediate external recruitment campaign to commence that would recruit a minimum of three independent board members to replace those who'd reached their six-year term, with further Group Board appointments to be considered.. Following the recruitment process a new chair would be appointed. The necessary board approvals would be sought to commence recruitment.

It was noted that to recruit new board members could take some months conclude. As an interim measure the terms of the existing board could be extended past six years, and board members from other Group entities could be appointed to fill vacancies on an interim basis. However, in order to do this the Group board and the RP board should be clear about the reasons for doing so and state those reasons in board meeting minutes and consult the Regulator.

Martin Lewis

Consultant, Devonshires Solicitors

19 December 2024



Audit Plan

Nottingham City Homes Limited and its subsidiaries (together, 'the Group')

For the year ended 31 March 2025

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2. Related Parties
3. Related Parties Form

Welcome

The purpose of this document is to give you an overview of the nature and scope of our audit work and bring to your attention the key aspects of the audit. The document also ensures that there is good communication between us, as auditors, and you.

If you have any queries regarding the plan, including the arrangements noted below, then please do not hesitate to contact us.

This audit plan has been prepared for the sole use of the Directors and management of the Group. It must not be shown to third parties without our prior consent. No responsibilities are accepted by Bishop Fleming towards any party acting or refraining from action as a result of this plan.



Nathan Coughlin

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1. General Audit Information

1.1. Engagement objectives and scope



Our engagement letter sets out the full terms of reference as your auditor and scope of the audit. As confirmed in our letter of engagement, we have been engaged to carry out our audit in accordance with International Standards on Auditing (UK) ('ISAs') and to express audit opinions on the consolidated financial statements of the Group for the year ended 31 March 2025, in accordance with UK GAAP.

We have been engaged to express an opinion on the consolidated and individual financial statements of Group which comprises the entities below:

- Nottingham City Homes Limited
- Nottingham City Homes Registered Provider Limited
- Nottingham City Homes Enterprises Limited

As in the previous year, following the transfer of services back into the Council, we have been asked to express an audit opinion on the consolidated financial statements of the Group as well as prepare the accounts for all entities. We have included proposed fees for this in Section 4.

Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the state of affairs of the Group at the year end and the results for the year then ended;
- have been properly prepared in accordance with UK GAAP; and
- have been prepared in accordance with the Companies Act.

For NCHRP, we will also ensure that the financial statements follow the Housing SORP (Statement of Recommended Practice for Registered Social Housing Providers) and comply with the Accounting Direction for Private Registered Providers of Social Housing.

Throughout we will also ensure that, in line with the latest Auditing Standards, we communicate on a regular basis with those charged with governance.

1.2. Audit reports



On completion of our audit work, we will issue our auditors' report to the shareholders.

The audit report will be customised to include the information required by ISA 700 and will explain how the audit process dealt with certain areas, including:

- Detecting material misstatements in respect of irregularities, including fraud. This may include detailing relevant procedures undertaken during the course of the audit.
- Understanding any key laws and regulations that may apply, and any instances of material non-compliance.

As before, we will report on the basis under which the financial statements have been prepared and whether they give a true and fair view. The audit report will also:

- report on whether the information given in the Directors' Report, and if relevant Strategic Report, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and

- report on whether other information presented in the annual report is materially consistent with the financial statements.

We will also conclude on the appropriateness of management’s use of the going concern basis of accounting.

The form and content of our Audit Report may need to be amended in light of our audit findings.

Under the Companies Act 2006 we are also required to report to you by exception the following matters, if:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company’s financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Where no matters are identified this will also be confirmed.

1.3. Audit materiality

In planning and performing our audit work we will consider whether the financial statements are free from ‘material misstatement’.



Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements. Thus, different materiality levels may be appropriate when considering different aspects of the financial statements.

If there are any areas of specific concern in which you would like us to pay particular attention to then we will be pleased to discuss this with you, and whether our audit approach can be readily adapted to accommodate such a level in that area, or whether it will be more appropriate for a special exercise to be carried out on the area.

Our basis of materiality has been set as follows:

Company	Basis of materiality
Nottingham City Homes Limited (Entity and Consolidated)	2% of turnover
Nottingham City Homes Registered Provider Limited	2% of turnover
Nottingham City Homes Enterprises Limited	5% of net assets

Whilst the level of materiality is applied to the financial statements as a whole, we must also address the risk that any identified unadjusted audit differences are material when considered in aggregate. To reduce the risk of this being the case, we apply a lower level of materiality which we utilise within our work, known as Performance Materiality. This is set at a lower level than overall materiality and is determined by our assessment of the element of audit risk that pertains to the internal control environment of the Group.

1.4. Risk assessment and significant risks

When planning our audit work, we will seek to minimise the risk of material misstatements occurring in the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which your Group operates. We then use this assessment to develop an effective approach to the audit.



This risk assessment directs our testing towards the balances and transactions at the greatest risk of material misstatement so as to minimise the risk of undetected material misstatements. However, we do not test every group of transactions or balances but carry out sample testing of balances and transactions.

Therefore, there is an inherent and unavoidable risk that some material misstatements may not be detected and therefore audit procedures should not be relied upon to detect all material misstatements, fraud, irregularities or instances of non-compliance.

Based on our knowledge of the Group, we have identified the following as significant risk areas to be addressed during the audit:

Risk	Audit Approach
<p>Management override of controls (required under the ISAs)</p> <p><i>(Applicable to all companies)</i></p>	<p>We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed. To address this risk, we will:</p> <ul style="list-style-type: none"> • Review the reasonableness of accounting estimates such as useful economic lives of assets; • Test journals with a material impact on the results for the year; and • Consider a sample of other journals with key risk attributes. <p>In testing journals, we will use data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors.</p>
<p>Fraud in revenue recognition (required under the ISAs)</p> <p><i>(Applicable to all companies)</i></p>	<p>There is also a presumption under auditing standards that the risk of fraud in revenue recognition is considered to be a significant risk area. To address this risk, we will:</p> <ul style="list-style-type: none"> • Document and validate the control environment for income and debtors and carry out design and implementation testing; • Perform substantive testing on income recognised to supporting documentation to ensure income is recorded accurately and recognised in the correct period; • Agree year end debtors and accrued income due with corresponding balances recorded by the Council;

Risk	Audit Approach
	<ul style="list-style-type: none"> • Test the recognition of income transactions around year-end to ensure their correct cut-off; • Perform analytical procedures over rental income, considering the number of properties owed, the rental increases and the timing of any transfer of assets during the year (see investment property point below); and • Consider income journals as part of our work on fraud risks documented above.
<p>Completeness of HRA surplus repayment provision <i>(NCH only)</i></p>	<p>In 2022, CIPFA were engaged to provide an opinion to the Council on the payments of HRA fees to NCH, and the associated expenditure incurred by NCH from the period 2014/15. CIPFA arrived at the conclusion that over the period a surplus of HRA fees over HRA costs had arisen. These surpluses represented NCH delivering services for less than the management fees agreed this time.</p> <p>After consideration of the surplus sums returned to the Council through the partnership agreement, the Council considered that NCH owed a debt for surpluses generated, but as yet not returned to the HRA. NCH recognised a provision for this matter of £26,870k in 2023/24. This balance was recognised as a provision at this stage whilst proposals were created for negotiation with the Council over the final amounts to be settled and how they will be settled, which may be through transfer of assets or provision of services in addition to cash repayments.</p> <p>We understand that discussions remain ongoing to finalise this amount and how this may be settled by NCH as some of the surpluses have been reinvested into housing stock. In 2024/25, we understand that an additional interest charge may be attributed to this balance.</p> <p>To address this risk, we will:</p> <ul style="list-style-type: none"> • Review ongoing discussions between the Council and the Group; • Review management’s updated assessment of the HRA surplus repayment provision as at 31 March 2025; and • Seek confirmation that the amount provided is consistent with the balances recognised or disclosed in the Council financial records.
<p>Going concern <i>(Applicable to all companies)</i></p>	<p>As auditors, we are required to conclude whether the Group has sufficient funds to continue trading for 12 months after the date of our audit report. Auditing standards require us to positively conclude that the use of the going concern basis used to prepare the financial statements is appropriate.</p> <p>In the prior year, the audit opinions were modified to reflect the decision by the Council to terminate the partnership agreement with NCH. There is an overall ambition to work towards an orderly wind up or transfer of the group’s remaining activities and assets. However, there are a number of challenges to achieving this, including potential tax exposures from transferring assets.</p> <p>In addition, the HRA surplus repayment provision is likely to continue to be at a level that is greater than funds available across the group to settle the payment.</p>

Risk	Audit Approach
	<p>For NCH and NCHRP, the prior year audit report included a 'material uncertainty over going concern' as there were no set plans in place for how their activities could be wound down and assets transferred or how the HRA surplus could be repaid through resources available in these companies.</p> <p>The NCHEL financial statements were prepared on a basis other than going concern as there was an agreed plan and commitment to sell the remaining market rented properties and wind up the company. Management are continuing on this path with this process, but it has taken a little longer than planned to sell some of the assets. We included an 'emphasis of matter' paragraph in our audit report to highlight this matter.</p> <p>It is likely that similar disclosures will be required in the accounts of all group companies again for 2024/25.</p> <p>To address this risk, we will:</p> <ul style="list-style-type: none"> • Discuss with management the latest plans for each company and understand the latest discussions with the Council around repayment of loans and the HRA surplus; • Review management's assessment and forecasts for cashflow over a period at least 12 months following the proposed signing date of the financial statements and challenge assumptions used; • Review any letter of support provided by the Council; and • Perform a review of post year end activity to date.

We have also identified the following areas of heightened risk, where we will be required to provide greater audit focus.

Risk	Audit Approach
<p>Investment properties – carrying value <i>(NCH and NCHE)</i></p>	<p>Both NCH and NCHE have market rent investment properties recognised in their balance sheets.</p> <p>The Group's accounting policy is to hold investment properties at market value. As such, an assessment will be required as at year-end to support the valuation of the investment properties.</p> <p>To address this risk we will:</p> <ul style="list-style-type: none"> • Review the latest assessment (including any valuation reports received) and assess the assumptions used to ensure reasonable; • Ensure that any revaluation is accounted for correctly; and • Ensure that any investment properties transferred to fixed assets during the year are recognised at the appropriate value and accounted for correctly, including the accompanying release from the revaluation reserve.

We will report back to you as part of our completion audit work, on the outcome of our work addressing these areas.

1.6. Control environment

Through our audit planning procedures, we will continue to develop our understanding of the control environment in which the Group operates.

Although we consider that the Group operates effective and formalised controls our work will focus on substantive procedures.

1.7. Adjusted and unadjusted items

Of the potential audit adjustments that we identify during our audit work, some may require adjustment. The decision to make an adjustment to the financial statements is one that you will need to make.

At the conclusion of the audit, we shall provide you with a schedule of potential adjustments that we identified during our audit work.

We will require you to confirm that you have considered the items and whether you have decided to adjust them in the financial statements; this will be included in the letter of representation.

We shall also provide you with a schedule, detailing those items that we identified during our audit work, which have not been adjusted for in the financial statements. This summary will not include errors that are 'clearly trivial', defined by us as those errors which individually account for no more than 5% of our materiality level.

We will require you to confirm that you have duly considered these unadjusted errors and that you have decided not to adjust for them in the financial statements; this will also be included in the letter of representation.

1.8. Limitation of work in relation to PAYE/NIC/VAT and Petty Cash

As already described in section 1.1, our audit work is designed to provide us with sufficient audit evidence to conclude whether the financial statements are free from material misstatement. Our audit work does not necessarily examine payroll, VAT or petty cash in detail and our audit procedures are not designed to detect immaterial fraud or error. If you require detailed investigation to be undertaken in any of these areas, please let us know and we can arrange to do this as a separate exercise.

2. The Audit Team

Responsible individual:	Nathan Coughlin
Email:	ncoughlin@bishopfleming.co.uk
Manager:	Molly Yorke
Email:	myorke@bishopfleming.co.uk

3. Timetable

A full audit timetable has been included below:



Nottingham City Homes Limited YEAR END: 31/03/2025	
Date	Requirement
20/01/2025	Initial planning discussions with management
03/02/2025	Audit and Risk Committee to consider the audit plan
March 2025	Planning procedures. Year-end Xtend information request to be sent (including tax).
02/05/2025	Final trial balance to be provided by management.
w/c 5 th May 2025	Accounts to be prepared by Bishop Fleming.
16/05/2025	Xtend information request to be provided to Bishop Fleming.
May/June 2025	Audit fieldwork to be undertaken.
June 2025	Audit completion and internal review processes.
TBC	Audit completion meeting.
08/09/2025	Accounts to be presented at ARCC.
11/09/2025	Accounts to be approved at Board.

4. Fee Proposal

We have budgeted our fees for this assignment on the basis of our understanding of your business, and on the basis that:

- we will be preparing the financial statements for all entities;
- all supporting schedules and draft figures will be sent to us no later than the date shown in the timetable;
- we will not experience any unforeseen problems in carrying out the audit; and
- you will be responsible for the necessary regulatory filing of all financial statements and returns.

As the individual responsible for the project management of the audit, Molly Yorke will monitor the position in relation to any issues that could potentially give rise to an increase in our costs and discuss them with you before the audit is finalised.

Our proposed fees (excl. VAT) are as follows:

	2025	2024
	£	£
Base fee for audit of the statutory accounts		
NCH	24,875	24,150
NCHRP	4,865	4,725
NCHE	3,245	3,150
	32,985	32,025
Scope changes		
Impact of transfer	0	5,000 – 10,000
Going concern *	5,150	5,000 – 10,000
	5,150	10,000 – 20,000
Corporation tax		
NCH	1,625	1,575
NCHRP	1,625	1,575
NCHE	2,160	2,100
	5,410	5,250
Accounts preparation		
NCH**	6,200	6,000
NCHRP	4,625	4,500
NCHE	2,575	2,500
	13,400	13,000

**With going concern a significant risk, we will require a second partner to review the accounts, audit opinions and our going concern work for each respective entity.*

***The quote for the accounts preparation for NCH is on the basis of it being consolidated. If no consolidation is required, it would be £3,100.*

5. Ethical Issues

In order to comply with professional and ethical standards we are required to communicate to you all significant facts and matters that in our professional judgement, may affect the firm's independence. This is for reference only, and unless you wish to make any comments, there is no need to respond.

5.1. Threats & safeguards

The standards require us to consider the perceived potential threats to our objectivity and independence in carrying out the audit, along with the safeguards we intend to implement to minimise any such threats together with our reasons as to why we consider these sufficient.

Please see Appendix 1 where we have outlined what we consider to be the perceived potential threats to our integrity, objectivity and independence in carrying out the audit, along with the safeguards applied to mitigate any such threats together with our reasons as to why we consider these sufficient.

5.2. Overall assessment

We are satisfied that the safeguards implemented per Appendix 1 are sufficient to mitigate any threat to our objectivity and independence and can confirm that we comply with the Financial Reporting Council's (FRC) Ethical Standard and are able to issue an objective opinion on the financial statements.

5.3. Maintaining objectivity & independence

As a firm we have policies and procedures in place to monitor auditor objectivity and independence on a regular basis. If any additional threats are identified, we will of course advise you immediately.

We also perform an annual review of completed audit engagements for quality control purposes which includes a selection where non-audit services are provided.

If you would like to discuss any of the above, please contact us.

6. Related Parties

As part of the auditing standards, we are required to undertake enhanced audit work on related parties. Part of this work is to enquire about the identity, nature of relationships and any transactions with related parties.



A related party is defined by FRS102 Section 33.2 (see Appendix 2 for definitions). Broadly speaking this includes directors, major shareholders, key management personnel as well as close family members of these individuals, and any group companies.

To meet our requirements, we attach a pro-forma form for you to complete (see Appendix 3). As a minimum, please would all directors complete the form, as well as any key management personnel.

If in doubt as to whether a related party relationship exists, please disclose them and we can make an assessment during the audit. Where there are controlling relationships, please add some narrative to explain the nature of the relationship. For example, if there are shareholdings please give details of the shareholding and total shares in the company, so that we can agree if a controlling relationship as defined in Appendix 2 exists. Please would you arrange for these forms to be available at the start of the audit.

Any information you provide to us will be treated in the strictest of confidence, will be used solely for the purposes of our Audit and will be held, and protected, under the terms of the Data Protection Legislation.

Appendices



1. Ethical Threats and Safeguards

Principal Threats	Safeguards Implemented
<p>Accounts preparation work:</p> <p><i>Threat of being perceived as too closely involved with your management decisions. Also, a member of the audit team could be reviewing their own work.</i></p> <ul style="list-style-type: none"> • Identifying year-end adjustments for e.g. prepayments, depreciation, accruals etc. • Preparing statutory accounts from core records prior to auditing. 	<p>Any adjustments or year-end journals to be discussed with you and your agreement gained to process in the statutory accounts.</p> <p>This will ensure all accounting judgements are impartial and the service provided is just one of a technical nature.</p>
<p>Taxation work:</p> <p><i>Threat of being perceived as too closely involved with your management decisions and threat of us reviewing our own work if a CT600 is required.</i></p> <ul style="list-style-type: none"> • Preparation of corporation tax computations and returns. • Tax advisory services 	<p>All computations, returns and forms are prepared or reviewed by the corporation tax department, who are not members of the audit team.</p> <p>For any decisions relating to the accounts or treatment of items on the tax return we will explain your options in layman's terms.</p>

2. Related Parties

Definitions per FRS 102

Related Party

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this definition referred to as the 'reporting entity').

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. Has control or joint control over the reporting entity;
 - ii. Has significant influence over the reporting entity; or
 - iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- b) An entity is related to a reporting entity if any of the following conditions applies:
 - iv. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - v. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - vi. Both entities are joint ventures of the same third party.
 - vii. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - viii. The entity is a retirement benefit scheme for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a scheme, the sponsoring employers are also related to the reporting entity.
 - ix. The entity is controlled or jointly controlled by a person identified in (a).
 - x. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- a) that person's children and spouse or domestic partner;
- b) children of that person's spouse or domestic partner; and
- c) dependants of that person or that person's spouse or domestic partner.

Control

The ability to direct the financial and operating policies of an entity with a view to gaining economic benefits from its activities.

Key management personnel

Those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related party transaction

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.

3. Related Parties Form

This form should be completed as a minimum, by each director, member of key management personnel, and controlling shareholder.

Please duplicate additional copies as required and complete the below. Please return to the audit team when they are on site. Alternatively, we can email this template to you separately, please let us know if you would like us to do this.

Nottingham City Homes Limited	
Year ended 31/03/2025	
Name:	
Address:	
Job Title:	

Please list out your related party relationships within the table below. Please summarise any transactions between the group and/or company during the period or confirm that there have been none in the period.

Related Parties:	Summary of Transactions during the period or confirm if none:
Name of entity:	
Other directorships:	
Trusteeships:	
Shareholdings:	
Other interests:	

Please list out your close family, as defined in Appendix 2, and their relationship to you. Please summarise their related party relationships (or confirm that there are none) within the table below. Please summarise any transactions between the related party and/or their interests with the group and/or company during the period; or confirm that there have been none in the period.

Close family: Name:	Nature of relationship:	Interests:	Transactions:

Notes:

- This form will be held securely. It will only be seen by the directors, members of the finance department and external audit staff.
- If there are no entries to be made in a table, please mark "none to all" on the first row.
- If any of the information in this form is unknown or uncertain, please indicate this, and give an indication of when the information will be made available or will have been verified at the audit date so that the audit team can follow up on this.
- If you have any queries in completing this form, please contact the audit team.

I confirm that the above is a complete and accurate record of my business and related interests for the year ended 31/03/2025.

These details have been provided in order to assist in the compilation of the related party transaction disclosures in the year end statutory accounts. Where there have been no material transactions with any of my business interests, no disclosure is required.

I will make Nottingham City Homes Limited aware of any changes with regard to the above.

.....
Signed

.....
Date

This document is confidential to: Nottingham City Homes Limited



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bishopfleming.co.uk

NOTTINGHAM CITY HOMES

REPORT OF THE CHIEF OPERATING
OFFICERTHE GROUP BOARD
13th FEBRUARY 2025

CHIEF OPERATING OFFICER – UPDATE REPORT

1 EXECUTIVE SUMMARY

- 1.1 To provide the Board with the latest development on discussions with Nottingham City Council on the future of NCH and the proposed three-year plan. To provide an update on NCC's regulatory judgement and issues and implications for NCH, including an update on regulatory contact with the Regulator of Social Housing (RoSH).

2 RECOMMENDATIONS

- 2.1 Board to note and discuss the updates provided.

3 REPORT

3.1 Future of NCH

In September 2024 NCH submitted a report proposing a short term (3 year) solution to preserve the supply of temporary accommodation in response to a request from NCC. In October 2024 a formal letter was sent to NCC setting out key decisions required by NCH. Regular discussions are taking place and there is confidence in the progress.

	Decision required	Comments / risks / issues	Approval Process / Routes
February 2025	Lender consent to dispose of the 140 dispersed and 10 housing-led & replace with external provision to maintain temporary accommodation numbers as properties become void.	Letters submitted September 2024 / November to Section 151. Operational risks are increasing for NCHRP in terms of management of external providers and void costs / rent loss.	Section 151 decision. Verbal approval given 22 nd January 2025.
March 2025	Strategic approval of the 3-year proposal	NCC In principle decision to support NCH & NCHRP to	Finance working group established to review the NCH

Quarter 1 - 2025	HRA debt repayment schedule to be reviewed and agreed. (subject to asset disposal)	continue trading for the 3-year period	of 3-year proposal. Inclusive of- a) HRA Revenue & HRA Business Plan implications b) Capital repayments and loans c) Interest charges d) Cashflows Savills undertaking an independent review to assess all financial implications.
February 2025	Revenue support to increase the payment for provision of Temporary Accommodation to the market rate under the Housing Services Temporary Accommodation Support Contract	Housing Services have submitted a growth bid into NCC budget setting processes of £327K.to increase payment to NCHRP for temporary accommodation provision.	HRA Revenue and Capital Budget setting report to Exec – January 2025 Full Council February 2025.
In – principal decision March 2025	Asset disposal Housing Services have indicated an intention to purchase NCC HRA purchase <ul style="list-style-type: none"> 120 social rented homes at EUV to increase council housing stock 	In principle agreement / assessment of affordability and priority within the HRA Business Plan Purchases to take place during 2026/2027 / 2027/2028.	Acquisitions to be factored into HRA Business Plan / HRA Capital Programme. Finance working group considering the Corporation tax implications including connected parties and if there are restrictive land use covenants

In – principal decision March 2025	Asset disposal Housing Services have indicated an intention to purchase NCC HRA purchase	In principal decision to purchase at market value HEB completed Summer 2024: £3,574,286	Acquisitions to be factored into HRA Business Plan / HRA Capital Programme / or the Acquisitions Programme.
Purchase 2026/27 financial year	Midland House at market value	There are no outstanding loans on Midland House.	In principle offer letter from NCC.

Decision – making timelines – Closure of NCHEL – September 2025.

	Decision required	Comments / risks / issues
February 2025	<p>Purchase of Fairham House HEB Valuation – March 2024 - £3.64M Savills valuation red book – December 2024 - £3M Savills advice to market at £3.25M Loan value £3.1M</p> <p>Timeline for purchase and sale price to be agreed.</p> <p>Formal letter sent 31st January 2025 for lender consent. Approved 4th February 2025</p>	<p>Proposal is to use RTB 1:1 receipt within the approved Acquisition Programme. Business Case developed and provided to Housing Services. NCC to determine process for decision.</p> <p>Critical for NCHEL to ensure full loan repayment & responsibility to get full market value & cover fees.</p> <p>NCHEL can only close through ‘strike off / dissolution 3 months after trading has ceased and the company holds no assets. Risks of continued trading in 2025/26 under assessment.</p> <p>Following receipt of formal offer to be considered by NCHEL Board 13th February 2025. Conveyancing process to follow & handover plan.</p>

3.2

NCC Regulatory Judgement

On Wednesday 15 January 2025, the Regulator of Social Housing, awarded a C3 grading to Nottingham City Council’s Housing Services following their inspection of the service in October 2024, which means that “...there are serious failings in Nottingham City Council delivering the outcomes of the consumer standards, and significant improvement is needed.”

The primary reasons for the judgement are:

- A lack of accurate, up-to-date data of its stock quality and decency. Almost 40% of its homes had not been surveyed for more than ten years.
- Almost 1,000 live disrepair cases, which is a significant driver of complaints, and issues around data integrity.
- Weaknesses in its approach to capping gas supplies when it could not gain access to complete gas safety checks and monitoring of compliance with smoke and carbon monoxide detection requirements.
- Tenants were not being meaningfully involved in decision making or able to challenge decisions.

The improvement plans highlights are:

- Investing £20 million to improve frontline services.
- Delivering a citywide Stock Condition Survey that is inspecting all 25,000 council-owned homes over the next 18 months.
- Employing more skilled tradespeople and working with contractors to tackle outstanding repairs and reduce waiting times for new repairs requests.
- Employing a dedicated team to address issues with damp and mould and clear the disrepair backlog
- Investing in planned maintenance and improvement projects such as the Victoria Centre windows project and High Rise Living
- Developing a set of service standards so that residents can hold NCC to account.
- Restructuring services to focus on frontline service delivery and changing in response to the feedback from tenants.
- Taking action to improve the quality and relevance of the data held about our residents and the homes they live in.

NCC's response is attached at Appendix 1. NCC have committed to sharing the improvement plan.

3.3 Regulatory Contact

On the 26th of November 2024 notification was received from Amie Merry Small Provider Manager (Consumer) Regulator of Social Housing, who is responsible for regulating registered providers specifically in relation to small providers with less than 1,000 units of Social Housing. The test will be to consider if NCHRP adheres to the [Regulatory Standards](#).

An initial meeting was held on the 20th of December 2024, subsequently a request for information was received and submitted. The RoSH requested the following documentation.

- The NCH Registered Provider Business Plan approved by the Board on 3 July 2024.
- The NCH Registered Provider Allocations Policy

- The NCH Registered Provider Temporary Accommodation Policy
- Details of the length of stay of residents in temporary accommodation and how we review this (2 documents)
- Details of the 2024 Tenant Satisfaction Measures survey and outcomes.

To date no further contact has been received.

3.4 NCC Shareholder Representative

NCC have commenced a permanent recruitment process to appoint a Shareholder Representative.

3.5 Business Plan Review

In April 2024 NCH Group developed an approved a one-year position statement. As the organisation is now working to a 3-year managed and controlled closure it is appropriate to develop a 3-year plan.

Officers have commenced a review which will include a summary of progress to date, the current position, sustainability and financial analysis and risks analysis. A comprehensive resource plan will be required to ensure NCH & NCHRP has the skills and capacity to deliver over the 3-year period. The review will be presented to Board 10th July 2025 for approval.

**CONTACT
OFFICER:**

Liz Cook Chief Operating Officer

Loxley House
Station Street
Nottingham
NG2 3NJ
Tel: 07803012840
E-mail liz.cook@nottinghamcity.gov.uk

DATE: 13th February 2025



2.3 Appendix 1

Regulator of Social Housing Regulatory Judgement, 15 January 2025 Response from Nottingham City Council Housing Services

Nottingham City Council's 1000-strong Housing Services team was visited by the Regulator of Social Housing (RSH) last October. The visit was part of the Regulator's inspection regime, introduced in April 2024 to monitor performance against the Consumer Standards. These standards apply to virtually all social housing providers, including local authorities.

This was the first inspection for Housing Services since it was brought back under direct council management in April 2023 with a commitment to improve services for tenants and leaseholders. Prior to that, Housing was delivered via an Arm's Length Management Organisation arrangement.

Following the inspection, the Regulator has graded Nottingham City Council's Housing Services at C3 and has concluded that "...there are serious failings in Nottingham City Council delivering the outcomes of the consumer standards, and significant improvement is needed."

Cllr Jay Hayes, Executive Member for Housing and Planning at Nottingham City Council, says, "We have been aware of the need to significantly improve our housing services since we brought the ALMO back in house, so this judgement does not come as a surprise. We proactively engaged with the Regulator in January 2024 and shared our improvement plans then.

"Resident safety and the delivery of our housing services in line with tenant aspirations is a key priority, and we're committed to making sure that the money we're investing in addressing some of the failings in the report is spent where it will have the most impact.

"We take the issues in the Regulator's report extremely seriously, and our improvement plans, which have been underway since we took over direct housing management, include:

- Investing £20 million to improve frontline services.
- Delivering a citywide Stock Condition Survey that is inspecting all 25,000 council-owned homes over the next 18 months.
- Employing more skilled tradespeople and working with major national contractors to tackle outstanding repairs and reduce waiting times for new repairs requests.
- Employing a dedicated team to address issues with damp and mould and clear the disrepair backlog.

- Investing in planned maintenance and improvement projects such as the Victoria Centre windows project and High Rise Living.
- Developing a set of service standards so that residents can hold us to account.
- Restructuring services to focus on frontline service delivery and changing in response to the feedback from our tenants.
- Taking action to improve the quality and relevance of the data we hold about our residents and the homes they live in.

“We have also established a new Housing Assurance Board (HAB), made up of tenants whose role it is to scrutinise services, make recommendations to help us to improve, and make sure we keep our promises, and a new Executive Housing Oversight Board (EHOB), made up of tenants and senior councillors whose role it is to scrutinise services and make sure we continue our journey of continuous improvement.

“The RSH has acknowledged that there are already improvements taking place. It also recognises that work to re-engage tenants and groups is still in its early stages but has good foundations.

“We are pleased that the RSH acknowledges our strengths in areas such as our understanding of the diverse needs of our residents, the way we address complaints fairly, effectively, and promptly, and how we provide relevant and accessible information so that residents understand what to expect from their landlord.

“However, we do not take the RSH’s findings lightly. Clearly there is much work to do, and we will not shy away from doing it. We prioritise building safety and compliance, and it’s good to note this had a reasonable level of assurance noted.

“Everyone deserves to live in a safe, secure, affordable and decent home, and we are committed to engaging positively with the Regulator and with our residents to deliver what is needed. Improvement of our housing services is part of the council’s wider Improvement Plan. with a clear commitment to deliver improved and well-run services for all our residents.”

Nottingham City Council

15 January 2025

NOTTINGHAM CITY HOMES

FINANCE MONITORING REPORT Q3: 31st DECEMBER 2024
NCH GROUP BOARD
REPORT OF THE ASSISTANT DIRECTOR OF FINANCE
13th FEBURARY 2025
1. EXECUTIVE SUMMARY

1.1 This report summarises the financial position of NCH Ltd and NCH Group as at quarter 3 (Period 9) 31st December 2024.

2. RECOMMENDATIONS

2.1 **Note** the financial position as per the management summary (appendix 1), including the Q3 forecast, and the balance sheet summary (appendix 2).

2.2 **Note** the updated forecasted cash position for March 2025 for NCH Ltd (appendix 3).

2.3 **Approve** the draft 25/26 base budget for NCH Ltd, also noting that a further update to the budget will be required to reflect the impact of the asset disposal programme.

2.4 **Approve** in advance the 25/26 contractual spends relating to the NCC loan and service contract payments detailed in section 5.

3 2024/25 FINANCE UPDATE – QUARTER 3 (P9) 31st DECEMBER 2024

3.1 Appendix 1 shows the financial position for NCH Ltd and NCH Group as at 31st December 2024.

3.2 **NCH Ltd** generated a **profit of £54k** compared to a budgeted loss of £82k for the period, a positive variance of £137k.

The improved financial position is mostly due to:

- Unbilled repairs which are expected to be invoiced in the latter half of the year.
- Underspends relating to the ongoing HAVs claim. NCC have recently agreed that HSE and legal costs associated with this claim should be met from the HRA.
- NCH are also benefitting from £48k of credits relating to ongoing ALMO housekeeping activities, which are expected to be offset by other transactions by the end of the financial year.

3.3 The **NCH Group** made a profit of £121k, compared to a budget latest loss of £520k, a positive variance of £641k:

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	<p>Profit/(Loss) by company: NCH Ltd: £ 54k NRP Ltd: £486k NEL Ltd: (£419k)</p> <p>NEL Ltd improved position is due to underspends on repairs, legal and selling fees and in year gains on property sales to date, which may be offset by future disposals.</p> <p>NRP Ltd is showing an improved profit mostly due to unbilled repairs expected in the latter half of the year and growth in private sector leasing.</p>
3.4	<p>A reforecast for NCH Ltd and its subsidiary companies has been completed in Q3.</p> <p>NCH Group is forecasted to make a loss of £1.406m in 24/25, which is an improvement on the budget latest position of £1.787m. Figures are post an estimated tax charge for NCH Ltd and NRP Ltd.</p> <p>NCH Group losses are made up of company losses in NCH Ltd of £1.141m and in NEL of £807k, offset by profits of £542k in NCHRP Ltd.</p> <p>Both NEL and NCH Ltd have benefitted from small improvements to the loss position, but the majority of the improvement in Group performance is due to higher profits in NRP Ltd.</p> <p>NCH Ltd forecasted loss includes an estimated annual HRA liability interest charge of c.£1.093m. Trading losses after estimated corporation tax for NCH Ltd is forecasted to be £48k.</p>
3.5	<p>Appendix 2 shows the quarter 2 balance sheet for NCH Ltd and the NCH Group.</p>
3.6	<p>The NCH Ltd Balance Sheet shows a similar position to the 23/24 yearend and is as expected.</p> <p>Although the value of its liabilities remains greater than its assets by £5.305m, the company can meet its current NCH trading liabilities from NCH cash held in the bank for the remainder of 24/25.</p>
3.7	<p>There are a number of ALMO related balances on the balance sheet that need to be resolved during 24/25 with the support of NCC and expected outcomes have been incorporated into the cash position.</p>
4.0	<p>DRAFT 25/26 BUDGET</p>
4.1	<p>Appendix 4 shows a summary draft budget for NCH Ltd for 25/26.</p>
4.2	<p>The budgeted loss for NCH Ltd for 25/26 is £1.402m, after tax of c.£125k. The budget includes an estimated HRA Rebate interest charge of £1.225m. Pre-tax trading losses for 25/26 are £52k. Post tax losses are c. £177k.</p>

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4.3	<p>The draft budget does include a selling and legal cost estimate for the Arboretum and Forest Road West as these properties are owned outright and already on the market.</p> <p>The budget is a draft base budget and does not reflect the impact of dispersed assets sales during the year. An adjusted budget will be presented to a future NCH Board.</p>
4.4	<p>NCH Group 25/26 Budgeted losses (post tax) are £1.410m, consisting of losses of £1.402m (NCH Ltd) and £347k (NEL Ltd) and profits of £339k (NRP Ltd).</p>
4.5	<p>NCH Board are asked to approve the draft 25/26 base budget, noting that a further update to the budget will be required to reflect the impact of the asset disposal programme.</p>
5.0	25/26 CONTRACT APPROVALS
5.1	<p>NCH Board as asked to approve in advance the following 25/26 contractual costs expected to be over £150k. These charges will be subject to appropriate checks prior to releasing payment to NCC:</p> <ul style="list-style-type: none"> • NCC Service Contract and Repairs Costs: c.£775k • NCC Loan Interest and Principle Payments: c.£1.280m
6	CASH POSITION
5.1	<p>NCH Ltd had £7.465m in cash assets and the NCH Group a total of £13.208m as at 31st December 2024.</p>
5.2	<p>NCH Ltd is projected to have £6.3m in cash as at 31st March 2025, of which c.£206k relates to NCH Ltd ongoing trading activities. The remainder is deemed to be derived from HRA management fee.</p> <p>The NCH Ltd cash position has improved slightly since Q2 (c.£96k positive balance) due to the cash receipt from the sale of 6 Helmsdale and a reduction in forecasted spend for the year.</p> <p>The cashflow projections to 31st March 2025 assume no asset sales of the Arboretum or Forest Road West and no associated selling costs, these are included in the draft 25/26 budget.</p>
5.3	<p>Although NCH is not in danger of going overdrawn whilst it holds HRA cash, NCH Ltd is expected to fall into a negative cash trading position from around March 2026, when the second loan instalments for 25/26 become due. This is working on the basis that no action is taken regarding the future of NCH Ltd and the company continues to trade as normal.</p>

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	<p>By September 2025, it is anticipated that all assets from NCH Ltd will have been sold and the surplus cash in this company of c.£1.5m, will be available to support ongoing NCH Ltd trading activities and the disposal programme.</p> <p>A projected income, cost and cashflow model to reflect the proposed three-year operational plan is being drawn up for the NCH Group.</p>
5.4	<p><u>HRA Surplus Repayment</u></p> <p>The provision remains unchanged at £26.8m but this is expected to increase by an annual interest charge estimated to be c.£1.093m in 24/25, unless a decision to freeze or reduce interest is made by NCC.</p>
6	FINANCIAL RISKS
6.1	<p>Although NCH has a healthy cash balance, this money is deemed to be mostly derived from HRA management fee. NCH Ltd itself will be trading close to a negative cash position at times during 25/26 and the company may therefore require an alternative source of funding as it heads into 25/26, to avoid spending HRA cash reserves on NCH trading activities.</p> <p>The current plan proposes that surplus NCH Ltd cash is used to support an NCH Ltd agreed disposal programme, however, this may not be accessible until Q3 of 25/26, with disposal costs being incurred prior to accessing the NEL funds.</p>
6.2	<p>The surplus cash from NEL may not be sufficient to fully service NCH overheads during the disposal phase, leading to additional cashflow pressures.</p>
7	LEGAL IMPLICATIONS
7.1	<p>Under the Companies Act 2006, the Directors are under a responsibility to understand the contents of the Statutory Accounts, specifically:</p>
7.2	<p>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.</p>
7.3	<p>Section 173 of the UK's Companies Act 2006, imposes on a director a positive duty to exercise independent judgment</p>
7.4	<p>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.</p>
7.5	<p>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).</p>

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7.6	Article 5(8) of the NCH Ltd Articles states: Subject to the prior written consent of the Council Member, make donations, grants or loans or provide services or assistance to such persons and Organisations and on such terms as the Organisation shall think fit to further the objects of the Organisation.
8	EQUALITY AND DIVERSITY IMPLICATIONS
8.1	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)
9	BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT
9.1	Appendix 1: NCH Ltd and Group Summary Finance Monitoring Report Q2
	Appendix 2: NCH Ltd and Group Balance Sheet
	Appendix 3: NCH Ltd Cashflow Forecast
	Appendix 4: NCH Ltd Draft Budget 25/26
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Date:	4th February 2025

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Appendix 1: Period 9 NCH Group Trading Position and Summary Forecast

	PERIOD 9			2024/25			2023/24
	Actual	Budget	Variance	Forecast	Budget	Variance	Actuals
	YTD £'000	YTD £'000	YTD £'000	Full year £'000	Full year £'000	Full year £'000	Full year £'000
NCH Group							
Income Rental Properties	(8,791)	(9,042)	250	(11,819)	(12,056)	237	(10,461)
Income Other	(244)	(243)	(1)	(357)	(324)	(33)	(227)
(Profit)/Loss on disposal	(89)	(15)	(74)	(20)	(20)	0	(61)
NCC Service Contract - Management	1,862	1,926	(64)	2,496	2,569	(73)	2,352
NCC Service Contract - Repairs & Other Property	664	951	(287)	1,136	1,268	(132)	931
External Lease & Other Property Costs	4,055	4,321	(266)	5,449	5,761	(313)	4,176
Loan Interest	1,208	1,187	21	1,591	1,583	8	1,837
Admin & Other Costs	936	1,256	(320)	1,497	1,675	(177)	9,935
ALMO - Residual P&L Transactions	(48)	0	(48)	0	0	0	(1,011)
HRA Rebate Interest	0	0	0	1,093	1,093	0	0
Corporation Tax Estimate	322	179	143	336	238	98	90
(Profit)/Loss	(121)	520	(641)	1,406	1,787	(380)	7,561

Appendix 1: Period 9 NCH Ltd Trading Position and Summary Forecast

	PERIOD 9			2024/25			2023/24	Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	Actuals	
	YTD £'000	YTD £'000	YTD £'000	Full year £'000	Full year £'000	Full year £'000	Full year £'000	
NCH Ltd								
Income Rental Properties	(704)	(707)	3	(943)	(943)	0	(806)	
Income - Intercompany Leases	(1,167)	(1,167)	(0)	(1,556)	(1,556)	0	(1,375)	
Income Other	(34)	(38)	3	(65)	(50)	(15)	(7)	Estimated bank interest received
(Profit)/Loss on disposal	(20)	(15)	(5)	(20)	(20)	0	0	
NCC Service Contract - Management	168	168	1	224	224	0	257	
NCC Service Contract - Repairs & Other Property	214	276	(62)	369	369	0	277	Delays with repairs billing
Lease Costs - Intercompany Leases	0	0	0	0	0	0	0	
External Lease & Other Property Costs	490	455	35	651	606	45	573	
Loan Interest	617	617	1	822	822	0	836	
Admin & Other Costs	284	392	(107)	431	522	(91)	9,218	Underspends on HAVs claim
ALMO - Residual P&L Transactions	(48)	0	(48)	0	0	0	(1,011)	Pre ALMO transfer ledger movements
HRA Rebate Interest	0	0	0	1,093	1,093	0	0	Estimated HRA Liability interest
Corporation Tax Estimate	145	101	44	135	135	0	0	
(Profit)/Loss after tax *	(54)	82	(137)	1,141	1,202	(61)	7,962	

* No corporation tax charge for 23/24 due to offset of prior year losses.

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Appendix 2: NCH Group & NCH Company Balance Sheet Quarter 3							
NCH - Balance Sheet as at 31 December 2024							
	GROUP			COMPANY			
	Year to Date	Prior Year		Year to Date	Prior Year		
	Period 9	31st March 2024	Movement	Period 9	31st March 2024	Movement	
	£'000	£'000	£'000	£'000	£'000	£'000	Comments - Company
Fixed Assets							
Tangible Assets - Property	38,483	38,991	(508)	33,876	34,332	(456)	Sale of 6 Helmsdale & depreciation Charge to P&L
Investment Properties	21,334	23,833	(2,499)	4,997	4,997	0	
Total Fixed Assets	59,816	62,824	(3,007)	38,873	39,329	(456)	
Current Assets							
Stocks	(17)	13	(30)	(17)	13	(30)	
Debtors - External	1,241	1,533	(292)	1,199	1,791	(591)	HMRC £230k, NEL c.£485k, NRP £130k, Rent Debtor
Debtors - NCC	1,211	2,201	(990)	1,154	1,945	(791)	Fleet Debtor
Cash at bank and in hand	13,209	8,182	5,027	7,465	5,342	2,123	
	15,643	11,928	3,715	9,802	9,091	711	
Current Liabilities							
Creditors - External	(1,663)	(1,436)	(227)	(625)	(731)	106	Audit and tax estimates, various other accruals
Creditors - NCC	(2,719)	(862)	(1,858)	(450)	(560)	110	NCC service contract - payment expected Feb 2025
Creditors NCC Loans (NEL)	(12,755)	(14,516)	1,762	0	0	0	
	(17,136)	(16,814)	(322)	(1,075)	(1,291)	216	
Net Current Liabilities	(1,493)	(4,886)	3,393	8,727	7,800	927	
Total Assets Less Current Liabilities	58,323	57,938	385	47,600	47,129	471	
Long Term Creditors							
Loans - NCC	(29,866)	(29,372)	(493)	(25,921)	(25,489)	(432)	
Capital Grants	(769)	(777)	8	0	0	0	
Provisions - HRA Rebate	(26,871)	(26,871)	0	(26,871)	(26,871)	0	HRA Liability
Provisions - Other	(1,023)	(1,036)	12	(113)	(130)	16	Bad debt
	(58,529)	(58,056)	(473)	(52,906)	(52,490)	(416)	
Net Assets/(Liabilities)	(206)	(118)	(88)	(5,305)	(5,361)	55	
Capital and reserves:							
Profit & (loss) YTD	120	(0)	120	54	0	54	
Revaluation Reserve	3,484	4,065	(581)	455	455	0	
Profit and loss account b/f	(3,811)	(4,183)	372	(5,814)	(5,816)	2	
Total Reserves	(207)	(118)	(89)	(5,305)	(5,361)	56	

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Appendix 3: NCH Ltd Cashflow Forecast 24/25

NCH	FY24	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	FORECAST	FORECAST	FORECAST	FY25
CASH FLOW ACTUALS	Total	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
NCH Ltd Cash Inflows - Money In														
Property Cohort														
Rent Income	646,539	34,749	36,881	35,980	41,468	33,770	141,349	54,816	170,308	37,438	78,995	78,995	203,190	947,940
Intercompany Lease Income	1,413,289	0	0	0	355,169	236,779	118,390	144,015	141,316	133,350	140,384	140,384	108,300	1,518,086
Intercompany Loan Interest	0	0	0	0	0	0	0	0	0	0	800	800	8,000	9,600
Income Other	0	0	0	0	0	0	0	4,864	12,509	11,084	10,000	10,000	11,542	60,000
Adjust for Unpaid Rent (replaces BDP in budget)	0	0	0	0	0	0	0	0	0	0	(1,580)	(1,580)	(18,283)	(21,443)
Prior Year Debtors	2,254	180	8,755	155	157,761	1,350	0	0	0	0	0	0	81,761	249,962
NCH Ltd TOTAL CASH INFLOWS	2,062,082	34,929	45,636	36,135	554,398	271,899	259,738	203,696	324,134	181,872	228,599	228,599	394,510	2,764,145
NCH Ltd Cash Outflows: Operating Costs - Money Out														
NCC Service Contract	(608,630)	0	0	0	0	0	0	0	0	0	(19,089)	(164,423)	(19,089)	(202,600)
NCC Repairs	0	0	0	0	(30,529)	(8,880)	(13,710)	(16,707)	(13,945)	0	(30,720)	(30,720)	(223,431)	(368,642)
NCC Other Costs	0	0	0	0	0	0	0	0	(778)	0	(5,148)	(5,148)	(77,163)	(88,235)
VAT	0	0	0	0	0	0	0	0	0	0	(14,773)	(74,773)	(87,734)	(177,281)
External Costs	(155,914)	(194)	(11,700)	(28,511)	(45,389)	(19,049)	(37,837)	(21,435)	(14,925)	(31,593)	(25,985)	(25,185)	(45,364)	(307,168)
Prior Year Creditors	0	(36,245)	(11,503)	(25,067)	(10,014)	0	(26,865)	0	0	0	0	0	(17,432)	(127,127)
NCH Ltd Cash Outflows: Total Operating Costs - Money Out	(877,264)	(36,440)	(23,203)	(53,579)	(85,932)	(27,928)	(78,412)	(38,142)	(29,648)	(31,593)	(95,715)	(300,249)	(470,213)	(1,271,053)
NCH Ltd Cash Outflows: Finance & Tax - Money Out														
NCC Loan Interest	(842,200)	0	0	0	0	0	(415,761)	0	0	0	0	0	(416,239)	(832,000)
NCC Loan Principle	(436,222)	0	0	0	0	0	(223,450)	0	0	0	0	0	(224,004)	(447,454)
NCH Ltd Total Cash Outflows: Finance - Money Out	(1,278,422)	0	0	0	0	0	(639,211)	0	0	0	0	0	(640,243)	(1,279,454)
NCH Ltd Total Cash Outflows	(2,155,686)	(36,440)	(23,203)	(53,579)	(85,932)	(27,928)	(717,623)	(38,142)	(29,648)	(31,593)	(95,715)	(300,249)	(1,110,457)	(2,550,508)
NCH Ltd Cash Inflows: Asset Disposal														
Net Cash Receipts (after loan repayment, selling assets)	0	0	0	0	86,695	0	0	0	0	0	0	0	0	86,695
NCH Ltd Total Cash Inflows: Asset Disposal	0	0	0	0	86,695	0	0	0	0	0	0	0	0	86,695
NCH Ltd NET CASH FLOW	(93,604)	(1,510)	22,433	(17,444)	555,161	243,971	(457,884)	165,554	294,486	150,279	132,884	(71,650)	(715,947)	300,332
ALMO/HRA	0	308,649	356,336	0	0	0	639,211	3,779	302	30,718	45,309	0	2,022,218	3,406,521
ALMO/HRA	0	(40,196)	(23,638)	(52,396)	(1,478)	(17,490)	(35,541)	0	(21)	(257)	0	0	(458,540)	(629,557)
ALMO REPAYMENT	0	0	0	0	0	0	0	0	0	0	0	0	(1,900,826)	(1,900,826)
ALMO/HRA NET CASHFLOW	(10,106,020)	268,453	332,697	(52,396)	(1,478)	(17,490)	603,670	3,779	281	30,461	45,309	0	(337,148)	876,138
TOTAL NET CASH FLOW - ALL	(10,199,624)	266,943	355,130	(69,840)	553,683	226,481	145,786	169,333	294,767	180,740	178,192	(71,650)	(1,053,095)	1,176,470
Opening Cash	15,542,090	5,342,466	5,609,409	5,964,538	5,894,698	6,448,382	6,674,863	6,820,648	6,989,981	7,284,748	7,465,488	7,643,680	7,572,030	5,342,466
Closing Cash TOTAL IN NCH BANK	5,342,466	5,609,409	5,964,538	5,894,698	6,448,382	6,674,863	6,820,648	6,989,981	7,284,748	7,465,488	7,643,680	7,572,030	6,518,935	6,518,935
Broken down into the following:														
Closing Cash - HRA	5,436,070	5,704,523	6,037,221	5,984,821	5,983,343	5,965,853	6,569,526	6,573,305	6,573,586	6,604,047	6,649,356	6,649,356	6,312,208	6,312,208
Closing Cash - NCH Ltd	(93,604)	(95,115)	(72,682)	(90,126)	465,035	709,006	251,122	416,676	711,162	861,441	994,325	922,674	206,728	206,728

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Appendix 4: NCH Ltd Draft Base Budget 25/26				
	2025/26	2024/25		
	DRAFT BUDGET	Forecast	Budget	
NCH	Full year £'000	Full year £'000	Full year £'000	Comments
Income Rental Properties	(964)	(943)	(943)	
Income - Intercompany Leases	(1,573)	(1,556)	(1,556)	Higher Lease Income from NRP Ltd
Income Other	(80)	(65)	(50)	Bank Interest
(Profit)/Loss on disposal	0	(20)	(20)	
NCC Service Contract - Management	397	224	224	Reallocation of costs from NEL to NCH Ltd
NCC Service Contract - Repairs & Other Property	378	369	369	
External Lease & Other Property Costs	577	651	606	
Loan Interest	813	822	822	
Admin & Other Costs	505	431	522	Legal & selling fees for Arboretum/FRW
ALMO - Residual P&L Transactions	0	0	0	
HRA Rebate Interest	1,225	1,093	1,093	Estimate 25/26 HRA liability interest
Corporation Tax Estimate	125	135	135	
(Profit)/Loss after tax *	1,402	1,141	1,202	

NOTTINGHAM CITY HOMES

NCH GROUP QUARTER 3, 2024/25 PERFORMANCE
REPORT

NCH BOARD

13 FEBRUARY 2025

REPORT OF THE HEAD OF NCH REGISTERED PROVIDER
AND HEAD OF COMMERCIAL PROPERTY MANAGEMENT**1. EXECUTIVE SUMMARY**

- 1.1 This report updates the Board in relation to the key performance and building compliance measures for all NCH Group owned and managed homes and temporary accommodation.

2. RECOMMENDATIONS

- 2.1 **Note and comment** on the performance position as provided.
- 2.2 **Agree** any areas that the Board requires exploring in relation to under-performance.

3 REPORT

- 3.1 Most services delivered to Nottingham City Homes Group (NCH) homes, tenants and licensees are delivered by Nottingham City Council (NCC) Housing Services under the NCC/ NCH Service Contract. Some compliance, repairs and void turnaround services are delivered to NCH RP by external providers in their properties.
- 3.2 NCH lead officers are working with the NCC Housing Services Business Transformation team to improve the quality of performance data to support management of the NCC/ NCH Service Contract and for Boards. This Balanced Scorecard format provides enhanced operational monitoring and Board oversight.
- 3.3 Key Performance Indicators are in Appendix 1 and are based on data at the end of Quarter 3, 2024/25. The targets for KPIs have been determined by NCC Housing Services. The NCH Group are working with NCC to agree different targets where considered necessary and to meet expectations of residents, officers and the Board.
- 3.4 Nominated NCH officers meet with NCC Housing Services Assistant Directors and Heads of Service monthly to discuss performance and agree actions for improvement as necessary.
- 3.5 Where performance does not meet expectations and/ or the requirements under the NCC/ NCH Service Contract and officers are unable to resolve, these are raised in accordance with the procedure detailed in the service contract.

3.6 **Gas Servicing – 99.51% of the NCH Group occupied stock with a gas appliance has a valid Landlord’s Gas Safety Certificate (LGSR).** This represents three properties without a valid certificate on 31 December 2024. All three of these now have a valid certificate - two by NCC HS and one external provider – all access issues - with one property needing to engage the new NCH Gas Cap and Vulnerability process, as below.

Following best practice to consider resident vulnerability, NCC Housing Services have changed their procedure when dealing with no access issues on gas servicing. Previously, following two notified appointments, the gas supply would be capped on the third. This is now not happening and as a result a small number of properties are exceeding the annual servicing date.

NCH officers have devised a Gas Cap Check process and Vulnerability Assessment – see Appendix 2. NCH officers will be referred no access cases and will follow this process to determine vulnerability and whether the gas supply is to be capped or not. The one outstanding NCH property without a valid certificate has been put through this process and there is acute vulnerability. Access has now been gained through a joint visit between the NCC HS Tenancy and Social Care teams.

3.7 **Electrical Installation Condition Report (EICR) – 99.58% of the NCH Group occupied stock has a valid domestic EICR.** Again, this represents three properties without an EICR. One will be given access by the Temporary Accommodation team, one is being investigated as abandoned, the other NCH Social tenancy is being chased for access. If this is not given, NCH Limited will issue a Notice Seeking Possession for breach of their tenancy agreement.

3.8 **Fire Safety** – The NCH Group has 21 sites that require an annual Fire Risk Assessment with each of these having a valid assessment in place by NCC HS or by the external property provider. The most recent FRA’s were completed to the blocks Masson and Ryehill in September and October with the FRA for Highwood House completed in December 2024. There are currently 22 actions highlighted following these inspections, with all actions at a medium and low level due for completion by May 2025.

NCH continues to work with NCC HS teams to ensure these actions are completed on time and with inspections of the completed works taking place once complete.

3.9 **Lifts** – There are no lifts in NCH or NCHEL blocks. The lifts at NCH RP managed Midland House and Highwood House are both **100% compliant for LOLER maintenance checks.**

3.10 **Water Hygiene** – There are no NCH or NCHEL blocks that require water hygiene checks. There are 3 NCH RP blocks that require water hygiene checks, and they are **100% compliant.**

3.11 **Asbestos** - There are no NCH or NCH EL blocks that require a communal Asbestos check. The communal area at Highwood House, leased by NCH RP from NCC, has a compliant communal asbestos check in place. Work is still underway to assess risks posed by Artex ceiling material inside the individual flats.

3.12 **Smoke Alarms – 100% of NCH Group Homes have smoke alarms installed.** These are checked annually with the gas safety check, on void inspection and in the case of temporary accommodation, by the Temporary Accommodation Officer on their monthly property inspections.

3.13 **CO detectors – 100% of occupied NCH Group Homes with a gas appliance have a CO detector installed.** These are checked annually with the gas safety check, on void inspection and in the case of temporary accommodation, by the Temporary Accommodation Officer on their monthly property inspections.

3.14 **Humidity, Damp and Mould** – In December 2024, NCH officers served a Stage One Service Contract Notice on NCC HS for failure to provide an effective damp and mould service to NCH Group homes and residents, in breach of the service contract provisions. There have been no significant changes or improvements since the notice was served and there is still no single responsible NCC HS officer. The data is not transparent, and most properties do not have a planned date for required works despite being over the NCC HS target set. Dates are being urgently sought and the Temporary Accommodation team will assist with gaining access.

NCC HS have advised that there are 62 NCH Group properties with outstanding assessed works for damp and mould. Most are NCH RP managed homes. Of these, 52 (84%) have live mould hazards recorded. The other 10 have had initial treatment of the hazard. 47 of the 62 are already over target (76%). Of the 7 cases recorded as complete in January 2025 (actual completion in November/ December 2024) the average time taken for completion is 241 days or 8 months. Appendix 3 details the current NCC HS position on NCH Group homes.

NCH RP is receiving, on average, 2 Pre-Action Protocol claims a month from residents' solicitors for damp and mould primarily but also for disrepair. This is costing NCH RP in administration costs for inspections, disclosure, legal fees and likely compensation. Some are mitigated by moving the resident where possible.

Due to the inadequate response to the Stage One Notice under the service contract Issues and Dispute Resolution clause, NCH officers are minded to serve a Stage Two Notice to the NCC HS Strategic Director of Housing.

3.15 There have been 7 permanent homes relet in the year to 31 December 2024;

- 1 NCH social home with a re-let time of 88 days
- 3 NCH RP Housing Led, with re-let times of 64 days, 148 days and 276 days.

- 3 NCH RP Refuge Move-On (2 were the same property) with re-let times of 30 days and 18 days and 264 days. The latter was due to extensive works required.

Of the temporary accommodation let to 31 December 2024, 39.96% of lets were achieved within the NCC derived target of 45 days. Often it has been general repair work that has delayed relet rather than traditional void turnaround activities of clear, clean and gas/ electrical checks. Externally serviced temporary accommodation, by contrast, was turned around in an average of 5.9 days, incentivised by non-payment whilst empty.

3.16 Following service of a Service Contract Stage One Notice, rent collection performance on NCH social homes is improving at 97.1%. The collection rate for NCH RP permanent homes is 96.5% and temporary homes, 99.41%. This indicator is susceptible to Housing Benefit and Direct Debit schedule payment dates. Rent arrears management remains under enhanced monitoring and it is noted that actions are timelier and more effective.

3.17 Emergency repairs performance is stated at 80% and 76.22% against a 100% target and non-priority at 66% against an NCC derived target of 65%. The non-priority target is being challenged. Planned maintenance is all but on target.

The Housing Services Property team report that there are still IT issues that are preventing accurate repairs performance data and timely charging for work completed. A resolution is being worked on. In addition, NCH officers identified further potential data integrity issues whereby Emergency Repairs reporting appears to be double-counting when an emergency is referred to the out-of-hours standby service. We are waiting on clarification.

3.18 Following NCH officer concerns, it was agreed with the NCH Board to explore alternative procurement options for property repairs and maintenance. This is not to replace the NCC Housing Services provision, but to supplement it and get repairs including damp and mould works completed where delays are incurred with NCC provision. The NCH Group has engaged Warburton Property Services under a framework to deliver additional maintenance services and are currently engaged on preparing dispersed properties for sale following NCH RP lease termination.

3.19 Stock Condition surveys have been completed by Savills in all but one of the NCH RP properties and over 90% of all NCH Group stock. The results of the survey will be presented to Board in July 2025.

4 FINANCIAL IMPLICATIONS

4.1 Poor rent collection rates and not meeting already lengthy target relet times adversely affect financial viability.

- 4.2 Due to issues getting cost data from IT systems, some NCC repairs and maintenance costs have not been charged to NCH RP in the first half of 2024/25. This is being addressed by NCC, but a resolution appears to be taking longer than anticipated.

5 LEGAL IMPLICATIONS

- 5.1 Properties and services should meet the Home Standard, which states:

Registered providers shall ensure a prudent, planned approach to repairs and maintenance of homes and communal areas. This should demonstrate an appropriate balance of planned and responsive repairs, and value for money. The approach should include responsive and cyclical repairs, planned and capital work, work on empty properties, and adaptations.

Registered providers shall; Provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of, and offers choices to, tenants, and has the objective of completing repairs and improvements right first time, and meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes

- 5.2 The retention of repairs and maintenance contractors must be legally compliant with regards to procurement and must deliver value for money for NCH.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES

- 6.1 Robust and effective monitoring of performance is critical to ensure the delivery of homes and places where people want to live.

7 EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 Has the equality impact of these proposals been assessed?

Yes (EIA attached)

No (this report does not contain proposals which require an EIA)

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

- 8.1 Appendix 1; NCH and NCH RP Performance Summaries for Quarter 3, 2024/25

- 8.2 Appendix 2; NCH and NCH RP Balanced Scorecards for Quarter 3, 2024/25

Contact officers

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Date

4 February 2025

2.5 Appendix 1a; NCH KPIs

NCH GROUP BOARD SUMMARY REPORT

NCH HOMES – December 2024/25 (April 2024-December 2024)

Measure	23/24 Result	24/25 Target	24/25 Result	Status	Short Trend	H/mark Quartile
Stage one complaints responded to within complaint handling code timescales	77.78%	99.00%	100.00%	G	↑	□□□□
Proportion of homes that do not meet the Decent homes standard	0.00%	0.00%	0.00%	G	↑	□□□□
% of domestic dwellings with a valid gas safety certificate	100.00%	100.00%	99.17%	R	↓	■□□□
Electrical safety: Ensuring that all properties have a valid EICR	100.00%	100.00%	99.17%	R	↓	□□□□
% of rent collected	99.11%	100.00%	97.10%	R	↓	■□□□
Arrears as a % of rent due	9.18%	2.01%	8.47%	R	-	□□□□
Average relet time	88	45	87	R	↓	■□□□
Lettable voids	0	8	1	R	↓	■ ■ ■ ■
Emergency repairs completed in target	87.10%	100.00%	80.00%	R	↓	□□□□
Non-emergency repairs completed in target	61.54%	65.00%	66.92%	G	↑	□□□□
% of emergency repairs raised	31.17%	N/A	35.45%	-	↓	□□□□
Average void repair cost per property	£3,120.16	N/A	£3,232.89	-	↓	□□□□
Average cost of a responsive repair	£140.76	N/A	£71.10	-	↑	

2.5 Appendix 1b; NCH RP KPIs

NCH REGISTERED PROVIDER BOARD SUMMARY REPORT December 2024/25 (April 2024-December 2024)

Measure	23/24 Result	24/25 Target	24/25 Result	Status	Short Trend	H/mark Quartile
Stage one complaints responded to within complaint handling code timescales	66.67%	99.00%	85.71%	R	↑	□□□□
Proportion of homes that do not meet the Decent homes standard	7.47%	0.00%	5.59%	R	↑	□□□□
% of domestic dwellings with a valid gas safety certificate	100.00%	100.00%	99.51%	R	↓	■□□□
Electrical safety : Ensuring that all properties have a valid EICR	100.00%	100.00%	99.58%	R	↓	□□□□
% of rent collected in permanent homes	98.84%	100.00%	96.50%	R	↑	■□□□
Arrears as a % of rent due in permanent homes	6.70%	2.01%	4.90%	R	—	□□□□
% of rent collected in temporary accommodation	98.84%	100.00%	99.41%	R	↑	■□□□
Arrears as a % of rent due in temporary accommodation		2.01%	2.85%	R	—	□□□□
Average relet time (NCC serviced)	19	34	39.96%	R	↓	■□□□
Emergency repairs completed in target	85.05%	100.00%	76.22%	R	↑	□□□□
Non-emergency repairs completed in target	55.77%	65.00%	66.31%	G	↑	□□□□
% of emergency repairs raised	24.39%	N/A	28.99%	—	↓	□□□□
Average void repair cost per property	£3,333.18	N/A	£3,862.41	—	↓	□□□□
Average cost of a responsive repair	£95.50	N/A	£78.88	—	↑	

2.5 Appendix 2a; NCH Balanced Scorecard

NCH Group Balance Scorecard					2024/25				
Ref.	Performance Indicator	Board	Result Type	Outturn 23/24	Target 24/25	June	September	December	Outturn 24/25
Repairs									
R1	% of repairs completed within target	NCH SO Board	Numerator	422		28	29	23	80
			Denominator	521		32	36	30	98
			Result	81.0%	100.0%	87.5%	80.6%	76.7%	81.6%
R1.1	% of repairs completed within target (Priority 1 - Emergency)	NCH SO Board	Numerator	135		10	9	7	26
			Denominator	155		13	12	11	36
			Result	87.1%	100.0%	76.9%	75.0%	63.6%	72.2%
R1.2	% of repairs completed within target (Priority 2 - Routine)	NCH SO Board	Numerator	112		8	13	7	28
			Denominator	188		9	17	10	36
			Result	59.6%	65.0%	88.9%	76.5%	70.0%	77.8%
R1.3	% of repairs completed within target (Priority 3 - Planned)	NCH SO Board	Numerator	175		10	7	9	26
			Denominator	178		10	7	9	26
			Result	98.3%	99.0%	100.0%	100.0%	100.0%	100.0%
R2	Number of repairs raised	NCH SO Board	Value	664		32	52	15	99
R2.1	Number of repairs raised - Emergency	NCH SO Board	Value	208		15	14	9	38
R2.2	Number of repairs raised - Routine	NCH SO Board	Value	229		8	29	3	40
R2.3	Number of repairs raised - Planned	NCH SO Board	Value	227		9	9	3	21
R2.5	% of emergency repairs raised	NCH SO Board	Value	31.3%		46.9%	26.9%	60.0%	38.4%
R3	% of non-access	NCH SO Board	Numerator	64		5	3	3	11
			Denominator	664		51	60	49	160
			Result	9.6%		9.8%	5.0%	6.1%	6.9%
R3.1	% of non-access (Priority 1 - Emergency)	NCH SO Board	Numerator	34				2	2
			Denominator	207		32	36	30	98
			Result	16.4%		0.0%	0.0%	6.7%	2.0%
R3.2	% of non-access (Priority 2 - Routine)	NCH SO Board	Numerator	22		3	1		4
			Denominator	230		9	17	10	36
			Result	9.6%		33.3%	5.9%	0.0%	11.1%
R3.3	% of non-access (Priority 3 - Planned)	NCH SO Board	Numerator	8		2	2	1	5
			Denominator	227		10	7	9	26
			Result	3.5%		20.0%	28.6%	11.1%	19.2%
R4	Number of repairs outstanding	NCH SO Board	Value	22		121	152	88	88
R4.1	Number of repairs outstanding (Priority 1 - Emergency)	NCH SO Board	Value	1		5	2	2	2
R4.2	Number of repairs outstanding (Priority 2 - Routine)	NCH SO Board	Value	12		60	70	42	42
R4.3	Number of repairs outstanding (Priority 3 - Planned)	NCH SO Board	Value	9		56	80	44	44
R5	Number of repairs cancelled	NCH SO Board	Value	58		3	6	6	15
R5.1	Number of repairs cancelled (Priority 1 - Emergency)	NCH SO Board	Value	12		2	4	2	8
R5.2	Number of repairs cancelled (Priority 2 - Routine)	NCH SO Board	Value	36			2	3	5
R5.3	Number of repairs cancelled (Priority 3 - Planned)	NCH SO Board	Value	10		1		1	2

NCH Group Balance Scorecard					2024/25				
Ref.	Performance Indicator	Board	Result Type	Outturn 23/24	Target 24/25	June	September	December	Outturn 24/25
R6	Average cost of repairs completed	NCH SO Board	Numerator	521		32	36	30	98
			Denominator	£ 73,336.26		£ 2,056.61	£ 2,275.54	£ 1,590.06	£ 5,922.21
			Result	£ 140.76		£ 64.27	£ 63.21	£ 53.00	£ 60.43
R6.1	Average cost of repairs completed (Priority 1 - Emergency)	NCH SO Board	Numerator	155		13	12	11	36
			Denominator	£ 5,559.72		725.76	523.83	785.19	£ 2,034.78
			Result	£ 35.87		£ 55.83	£ 43.65	£ 71.38	£ 56.52
R6.2	Average cost of repairs completed (Priority 2 - Routine)	NCH SO Board	Numerator	188		9	17	10	36
			Denominator	£ 13,977.04		580.93	1114.19	387.4	£ 2,082.52
			Result	£ 74.35		£ 64.55	£ 65.54	£ 38.74	£ 57.85
R6.3	Average cost of repairs completed (Priority 3 - Planned)	NCH SO Board	Numerator	178		10	7	9	26
			Denominator	£ 53,799.50		£ 749.92	£ 637.52	£ 417.47	£ 1,804.91
			Result	£ 302.24		£ 74.99	£ 91.07	£ 46.39	69.41961538
R7	Number of Damp and Mould cases reported	NCH SO Board	Value	33					
R8	% of repairs completed within target (Damp and Mould)	NCH SO Board	Numerator	3					
			Denominator	3					
			Result	100.0%		N/A	N/A	N/A	
R8.5	Number of repairs cancelled (Damp and Mould)	NCH SO Board	Result	30					
R9	Number of repairs outstanding (Damp and Mould)	NCH SO Board	Value	1		2	2		
R10	% of non-access (Damp and Mould)	NCH SO Board	Numerator	33		0	0	0	
			Denominator	0					
			Result	N/A		N/A	N/A	N/A	
R11	Time taken in days to complete repair, or time outstanding (Damp and Mould)	NCH SO Board	Value	205					
Compliance									
C1	Properties with a valid Gas Safety Certificate	NCH SO Board	Numerator	120		120	118	119	119
			Denominator	120		120	120	120	120
			Result	100.0%	100.0%	100.0%	98.3%	99.2%	99.2%
C2	Properties with a valid EICR	NCH SO Board	Numerator	120		120	120	119	119
			Denominator	120		120	120	120	120
			Result	100.0%	100.0%	100.0%	100.0%	99.2%	99.2%
C3	Properties with a CO Detector	NCH SO Board	Numerator	120		120	120	120	120
			Denominator	120		120	120	120	120
			Result	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
C4	Blocks with a valid FRA	NCH SO Board	Numerator	0					0
			Denominator	0					0
			Result	N/A	100.0%	N/A	N/A	N/A	N/A
C5	FRA significant findings actions completed on time	NCH SO Board	Numerator	0					0
			Denominator	0					0
			Result	N/A	100.0%	N/A	N/A	N/A	N/A
RP01	Proportion of homes that do not meet the Decent homes standard	NCH SO Board	Numerator	120		120	120	120	120
			Denominator	0		0	0	0	0
			Result	N/A	100.0%	0.0%	0.0%	0.0%	0.0%

NCH Group Balance Scorecard					2024/25				
Ref.	Performance Indicator	Board	Result Type	Outturn 23/24	Target 24/25	June	September	December	Outturn 24/25
Voids									
V1	Average relet time, excluding major works	NCH SO Board	Value	88	45		87		87.0
V2	Average relet time, no exclusions	NCH SO Board	Value	88	45		87		87.0
V3	Voids In Target	NCH SO Board	Numerator	2			0		0
			Denominator	2			1		1
			Result	100.0%	0.0%	N/A	0.0%	N/A	0.0%
TEM2	Number of lettable voids	NCH SO Board	Result	0		1	0	1	1
V4	Average cost of void repairs	NCH SO Board	Value	£ 3,120.16			3233		£3,232.89
Housing Tenancy Management									
H1	Annual tenancy visits completed	NCH SO Board	Numerator	3		1	0	3	4
			Denominator	3		1	0	3	4
			Result	100.0%	100.0%	100.0%	N/A	100.0%	100.0%
H2	ASB cases received	NCH SO Board	Value	0					0
H3	ASB cases completed	NCH SO Board	Value	0					0
H4	ASB cases outstanding	NCH SO Board	Value	0					0
Housing Income Management									
I1	Rent collected - In Year	NCH SO Board	Numerator	0		£ 218,828.46			
			Denominator	0		£ 233,709.81			
			Result	N/A	100.0%	93.6%	N/A	N/A	N/A
I2	Total arrears	NCH SO Board	Numerator	£ 788,182.31					
			Denominator	£ 795,289.80					
			Result	99.1%		N/A	N/A	N/A	N/A
I3	Former tenant arrears collected	NCH SO Board	Numerator	£ 73,004.81					£ -
			Denominator	£ 795,289.80					£ -
			Result	9.2%		N/A	N/A	N/A	N/A
I4	Recharges collected	NCH SO Board	Numerator	0					£ -
			Denominator	0					£ -
			Result	N/A		N/A	N/A	N/A	N/A
I5	Rent arrears cases being managed	NCH SO Board	Value	0					0
I6	Notices served for rent arrears	NCH SO Board	Value	0					0
I7	Possession Orders obtained for rent arrears	NCH SO Board	Value	0					0
I8	Value of welfare benefits assists obtained by Tenancy Sustainment team	NCH SO Board	Value	0					0
Complaints									
M1	Stage one complaints responded to within complaint handling code timescales	NCH SO Board	Numerator	7			1	1	2
			Denominator	9			1	1	2
			Result	77.8%	99.0%	N/A	100.0%	100.0%	100.0%

2.5 Appendix 2b; NCH RP Balanced Scorecard

REGISTERED PROVIDER Balance Scorecard					2024/25				
Ref.	Performance Indicator	Board	Result Type	Outturn 23/24	Target 24/25	June	September	December	Outturn 24/25
Repairs									
R1	% of repairs completed within target	RP Board	Numerator	#REF!		118	132	102	352
			Denominator	#REF!		142	159	135	436
			Result	N/A	100.0%	83.1%	83.0%	75.6%	80.7%
R1.1	% of repairs completed within target (Priority 1 - Emergency)	RP Board	Numerator	478		29	42	16	87
			Denominator	562		34	56	23	113
			Result	85.1%	100.0%	85.3%	75.0%	69.6%	77.0%
R1.2	% of repairs completed within target (Priority 2 - Routine)	RP Board	Numerator	590		34	40	30	104
			Denominator	1058		51	51	52	154
			Result	55.8%	65.0%	66.7%	78.4%	57.7%	67.5%
R1.3	% of repairs completed within target (Priority 3 - Planned)	RP Board	Numerator	457		55	50	56	161
			Denominator	492		57	52	60	169
			Result	92.9%	99.0%	96.5%	96.2%	93.3%	95.3%
R2	Number of repairs raised	RP Board	Value	2846		170	210	74	454
R2.1	Number of repairs raised - Emergency	RP Board	Value	694		46	60	21	127
R2.2	Number of repairs raised - Routine	RP Board	Value	1307		53	67	28	148
R2.3	Number of repairs raised - Planned	RP Board	Value	845		71	83	25	179
R2.5	% of emergency repairs raised	RP Board	Value	24.4%		27.1%	28.6%	28.4%	28.0%
R3	% of non-access	RP Board	Numerator	#REF!		18	22	14	54
			Denominator	#REF!		250	262	247	759
			Result	N/A		7.2%	8.4%	5.7%	7.1%
R3.1	% of non-access (Priority 1 - Emergency)	RP Board	Numerator	23		2	1	1	4
			Denominator	694		142	159	135	436
			Result	3.3%		1.4%	0.6%	0.7%	0.9%
R3.2	% of non-access (Priority 2 - Routine)	RP Board	Numerator	84		6	11	6	23
			Denominator	1307		51	51	52	154
			Result	6.4%		11.8%	21.6%	11.5%	14.9%
R3.3	% of non-access (Priority 3 - Planned)	RP Board	Numerator	38		10	10	7	27
			Denominator	845		57	52	60	169
			Result	4.5%		17.5%	19.2%	11.7%	16.0%
R4	Number of repairs outstanding	RP Board	Value	#REF!		754	882	57	57
R4.1	Number of repairs outstanding (Priority 1 - Emergency)	RP Board	Value	#REF!		20	16	1	1
R4.2	Number of repairs outstanding (Priority 2 - Routine)	RP Board	Value	#REF!		285	526	28	28
R4.3	Number of repairs outstanding (Priority 3 - Planned)	RP Board	Value	#REF!		449	340	28	28
R5	Number of repairs cancelled	RP Board	Value	#REF!		29	27	28	84
R5.1	Number of repairs cancelled (Priority 1 - Emergency)	RP Board	Value	34		7	16	9	32
R5.2	Number of repairs cancelled (Priority 2 - Routine)	RP Board	Value	197		15	6	13	34
R5.3	Number of repairs cancelled (Priority 3 - Planned)	RP Board	Value	57		7	5	6	18

REGISTERED PROVIDER Balance Scorecard					2024/25				
Ref.	Performance Indicator	Board	Result Type	Outturn 23/24	Target 24/25	June	September	December	Outturn 24/25
R6	Average cost of repairs completed	RP Board	Numerator	#REF!		142	159	135	436
			Denominator	201703.73		£ 12,539.85	£ 9,759.61	£ 11,197.83	£ 33,497.29
			Result	N/A		£ 88.31	£ 61.38	£ 82.95	£ 76.83
R6.1	Average cost of repairs completed (Priority 1 - Emergency)	RP Board	Numerator	562		34	56	23	113
			Denominator	£ 20,032.31		£ 2,354.44	2784.34	1058.65	£ 6,197.43
			Result	£ 35.64		£ 69.25	£ 49.72	£ 46.03	54.84451327
R6.2	Average cost of repairs completed (Priority 2 - Routine)	RP Board	Numerator	1058		51	51	52	154
			Denominator	£ 75,624.23		£ 4,651.22	3422.72	3751.88	£ 11,825.82
			Result	£ 71.48		£ 91.20	£ 67.11	£ 72.15	£ 76.79
R6.3	Average cost of repairs completed (Priority 3 - Planned)	RP Board	Numerator	492		57	52	60	169
			Denominator	£ 106,047.19		£ 5,534.19	£ 3,552.55	£ 6,387.30	£ 15,474.04
			Result	£ 215.54		£ 97.09	£ 68.32	£ 106.46	£ 91.56
R7	Number of Damp and Mould cases reported	RP Board	Value	177					
R8	% of repairs completed within target (Damp and Mould)	RP Board	Numerator	96					
			Denominator	106					
			Result	90.6%		N/A	N/A	N/A	
R8.5	Number of repairs cancelled (Damp and Mould)	RP Board	Result	37		2			
R9	Number of repairs outstanding (Damp and Mould)	RP Board	Value	50		46	40		
R10	% of non-access (Damp and Mould)	RP Board	Numerator	#REF!		0	0	0	
			Denominator	0					
			Result	N/A		N/A	N/A	N/A	
R11	Time taken in days to complete repair, or time outstanding (Damp and Mould)	RP Board	Value	87		309.0	175.0	309.0	
Compliance									
C1	Properties with a valid Gas Safety Certificate	RP Board	Numerator	#REF!		360	371	385	385
			Denominator	#REF!		360	371	387	387
			Result	N/A	100.0%	100.0%	100.0%	99.5%	99.5%
C2	Properties with a valid EICR	RP Board	Numerator	#REF!		489	491	499	499
			Denominator	#REF!		489	491	501	501
			Result	N/A	100.0%	100.0%	100.0%	99.6%	99.6%
C3	Properties with a CO Detector	RP Board	Numerator	#REF!		360	371	387	387
			Denominator	#REF!		360	371	387	387
			Result	N/A	100.0%	100.0%	100.0%	100.0%	100.0%
C4	Blocks with a valid FRA	RP Board	Numerator	#REF!		11	12	12	12
			Denominator	#REF!		11	12	12	12
			Result	N/A	100.0%	100.0%	100.0%	100.0%	100.0%
C5	FRA significant findings actions completed on time	RP Board	Numerator	#REF!		0	0	0	0
			Denominator	#REF!		0	0	0	0
			Result	N/A	100.0%	N/A	N/A	N/A	0.0%
RP01	Proportion of homes that do not meet the Decent homes standard	RP Board	Numerator	#REF!		489	491	501	501
			Denominator	#REF!		4	11	28	28
			Result	N/A	100.0%	0.8%	2.2%	5.6%	5.6%

REGISTERED PROVIDER Balance Scorecard					2024/25				
Ref.	Performance indicator	Board	Result Type	Outturn 23/24	Target 24/25	June	September	December	Outturn 24/25
Voids									
V1	Average relet time, excluding major works	RP Board	Value	19	45	22.4	13	22	27.7
V2	Average relet time, no exclusions	RP Board	Value	19	45	26.5	13	22	28.7
V3	Voids In Target	RP Board	Numerator	29		25.0	8	36	69
			Denominator	304		28.0	8	40	76
			Result	9.5%	0.0%	89.3%	100.0%	90.0%	90.8%
TEM2	Number of lettable voids	RP Board	Result			16	27	18	18
V4	Average cost of void repairs	RP Board	Value	£ 3,333.18		£ 4,292.40	£ 459.67	£ 2,619.83	£3,862.41
Housing Tenancy Management									
H1	Annual tenancy visits completed	RP Board	Numerator	#REF!		17	0	40	57
			Denominator	#REF!		26	0	51	77
			Result	N/A	100.0%	65.4%	N/A	78.4%	74.0%
H2	ASB cases received	RP Board	Value	#REF!					0
H3	ASB cases completed	RP Board	Value	#REF!					0
H4	ASB cases outstanding	RP Board	Value	#REF!					0
Housing Income Management									
I1a	Rent collected - In Year (Permanent homes)	RP Board	Numerator	#REF!		£2,331,841.28			327,461
			Denominator	#REF!		£2,511,602.09			316,011
			Result	N/A	100.0%	92.8%	N/A	N/A	96.50%
I1b	Rent collected - In Year (Temporary Accommodation)	RP Board	Numerator	#REF!		£2,331,841.28			7,466,127
			Denominator	#REF!		£2,511,602.09			7,421,947
			Result	N/A	100.0%	92.8%	N/A	N/A	99.41%
I2	Current arrears (Permanent homes)	RP Board	Numerator	#REF!					
			Denominator	#REF!					
			Result	N/A		N/A	N/A	N/A	£21,249
I3	Former tenant arrears collected	RP Board	Numerator	#REF!					26,817
			Denominator	#REF!					1,320
			Result	N/A		N/A	N/A	N/A	4.92%
I4	Recharges collected	RP Board	Numerator	#REF!					£ -
			Denominator	#REF!					£ -
			Result	N/A		N/A	N/A	N/A	N/A
I5	Rent arrears cases being managed	RP Board	Value	#REF!					
I6	Notices served for rent arrears	RP Board	Value	#REF!					
I7	Possession Orders obtained for rent arrears	RP Board	Value	#REF!					
I8	Value of welfare benefits assists obtained by Tenancy Sustainment team	RP Board	Value	#REF!					
Complaints									
M1	Stage one complaints responded to within complaint handling code timescales	RP Board	Numerator	2		1	2	1	4
			Denominator	3		2	2	1	5
			Result	66.7%	99.0%	50.0%	100.0%	100.0%	80.0%

2.5 Appendix 3; Damp and Mould Works

Damp and Mould - phase 1 hazard		Owner	Jan-25
D1	Total No of Live Damp and Mould with hazards	ALL	52
D2	No of Live Damp and Mould hazards with Planned	TH	5
D3	No of Live Damp and Mould hazard with United Living	DR	38
D4	No of Live Damp and Mould hazards with Lovells	SC	9
Damp and Mould - Total works outstanding			Jan-25
D5	Total No of Live Damp and Mould	ALL	62
D6	No of Live Damp and Mould with Planned	TH	5
D7	No of Live Damp and Mould with United Living	DR	48
D8	No of Live Damp and Mould with Lovells	SC	9
D9	No of Live Damp and Mould with Planned over target	TH	5
D10	No of Live Damp and Mould with United Living over target	DR	33
D11	No of Live Damp and Mould with Lovells over target	SC	9
D12	Number of No Access issues Damp and Mould with Planned	TH	
D13	Number of No Access issues Damp and Mould with United Living	DR	
D14	Number of No Access issues Damp and Mould with Lovells	SC	
Damp and Mould - Surveying			
D15	No of new cases raised for inspection monthly	WS	24
D16	Average days waiting for an inspection	WS	5
D17	Live inspection for this month	WS	9
D18	No.of closed inspection job per month	WS	15
Damp and Mould - Completed Works			
D19	No. of closed Damp and Mould works this month Planned	TH	0
D20	No. of closed Damp and Mould works this month United Living	DR	0
D21	No. of closed Damp and Mould works this month Lovells	SC	7
D22	Cumulative no. of Damp and Mould works completed this month	ALL	7
D23	Average time taken to complete Damp and Mould works this year Days Planned	TH	
D24	Average time taken to complete Damp and Mould works this year Days United living	DR	
D25	Average time taken to complete Damp and Mould works this year Days Lovells	SC	

NOTTINGHAM CITY HOMES

REPORT OF THE CHIEF OPERATING OFFICER

GROUP BOARD
13 FEBRUARY 2025

LEASE RENEWALS AND TERMINATIONS

1 EXECUTIVE SUMMARY

- 1.1 In accordance with the three-year plan for Nottingham City Homes Limited (NCH), this report seeks approval for a new lease between NCH and NCH Registered Provider Limited (NCH RP) for Midland House and delegated approval of the surrendering of leases between NCH and NCH RP.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board;
- 2.2 **NOTE and comment on the report**
- 2.3 **APPROVE** the new lease for Midland House to NCH RP, commencing 1 April 2025 for a term of two years plus option to extend a further year.
- 2.4 **APPROVE** the delegation of accepting the termination of leases of NCH Dispersed properties to the Chief Operating Officer of NCH Limited, or in their absence, the Head of Commercial Property and Contract Management.
- 2.5 **APPROVE** the preparation and sale of returned properties on the open market to satisfy the loan debt with Nottingham City Council (NCC) and the surplus to be put to operating costs and repayment of the NCC Housing Revenue Account debt.

3 REPORT

- 3.1 The approved NCH three-year plan requires the NCH Group to maximise HRA debt repayment and maintain temporary accommodation provision. Integral to these aims is the renewal of the lease for Midland House (for temporary accommodation requirements and income stream to NCH) and the sale of 160 Dispersed and Housing Led properties.
- 3.2 The initial two year lease of Midland House from NCH to NCH RP commenced in the summer of 2022, was extended in the summer of 2024 and now needs a new lease agreement. It is proposed that the new lease commences on 1 April 2025 for a term of two years, with an option to extend for a further 12 months. The lease contains an exit clause for either party, should an earlier sale be required. It is proposed that the lease rental is increased by 5% on 1 April to £260,592 per annum and is indexed annually by CPI thereafter.

- 3.3 Nottingham City Homes Limited (NCH) owns a portfolio of 150 properties leased to NCH Registered Provider Limited (NCH RP) for use as temporary accommodation and a further 10 properties for the purpose of Housing Led tenancies.
- 3.4 The 150 properties used for temporary accommodation, and commonly referred to as “Dispersed”, include 10 that are owned outright by NCH. The remaining 140 and the 10 Housing Led properties have a loan debt from NCC that requires their lender consent and discharge of the debt on sale. NCC have advised that their lender consent is imminent.
- 3.5 NCH RP is contractually committed to the provision of 400 units of temporary accommodation to NCC, so is replacing NCH leased properties with external provision.
- 3.6 50 dispersed properties per annum will need to be vacated, prepared and sold per annum to deliver against the three-year plan. It is proposed to get ahead of the curve, by starting this process prior to 1 April 2025 and has been aided by the natural vacation of 4 of the dispersed properties owned outright by NCH, plus another that has been completely refurbished. In addition, 4 of the Housing Led properties have been empty for some time following the decision by the NCH RP Board to cease Housing Led activity.
- 3.7 NCH RP has given notice to NCH Limited to terminate 3 dispersed and 4 Housing Led properties with effect from 31 January 2025 and a further 2 dispersed properties with effect from 28 February 2025. The leases contain provisions to terminate on one month’s notice. To make financial matters clear, termination will always be the end of the month following notice service.
- 3.8 The first returned dispersed property has been prepared for sale and at the time of writing is being valued by the estate agent ready for Board approval to market.
- 3.9 It is proposed that the Head of NCH RP gives notice to terminate individual property leases in writing and for the Chief Operating Officer of NCH Limited, or in their absence, the Head of Commercial Property and Contract Management to accept the notice. NCH RP will clear the property prior to expiration of the notice.
- 3.10 NCH RP will only terminate naturally occurring void properties following rehousing of the temporary accommodation licensee, or in a minority of cases where the licensee’s family has needed to be relocated into alternative temporary accommodation for management or maintenance reasons. No families or individuals will be evicted or moved on forcibly. The regular turnover of NCH RP temporary accommodation is sufficient to meet the disposal requirements.

5 FINANCIAL, LEGAL AND RISK IMPLICATIONS

5.1 Financial Implications

5.1.1 NCH Limited cannot afford to maintain the dispersed properties to the required standards in the future and disposal is the only option.

5.1.2 The Head of Commercial Property and Contract Management will manage the preparation of properties and their sale in the same way as the market rent disposals.

5.2 Legal Implications

5.2.1 Licensees of temporary accommodation do not have security of tenure, so can be moved, although the disposal process will primarily be driven by vacant possession following move on. Housing Led properties are let on an assured tenancy basis, so these tenants cannot be removed. Where these tenancies are being maintained, there is no proposal to end them. An alternative option to sell to NCC or another Registered Provider of social housing will be explored later.

5.3 Risk Implications

5.3.1 No individuals or families are being forcibly moved to facilitate this process.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES

6.1 A key objective for NCH and NCC is to create a residual company structure that is sustainable in terms of solvency and financial stability.

7 EQUALITY AND DIVERSITY IMPLICATIONS

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

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

8.1 None

Name: Liz Cook, Chief Operating Officer, NCH Group

E-mail; liz.cook@nottinghamcityhomes.org.uk

Date 4 February 2025

NOTTINGHAM CITY HOMES

REPORT OF THE EXECUTIVE ASSISTANT

GROUP BOARD
13 FEBRUARY 2025

RENT SETTING IN NCH AFFORDABLE RENT HOMES

1 EXECUTIVE SUMMARY

- 1.1 NCH owns a portfolio of 120 homes let through the Council's Housing Register on assured tenancies at lower-end affordable rent levels. Board is asked to consider proposals for an increase in rent for 2025/26 in line with similar affordable rents.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board;

2.2 NOTE and comment on the report

- 2.3 **AGREE the rent increase of 2.7% for 2025/26** in line with the rationale presented, including capping any unfurnished rents at the relevant Local Housing Allowance level.

3 REPORT

- 3.1 NCH owns 120 properties for affordable rent as a private landlord. These homes have been let to applicants from the Council's housing register on an Assured tenancy basis. The tenancy agreement has a rent review clause that allows the rent to be varied each April.
- 3.2 Last year, Board approved a rent increase of 20.3% to re-base the charges to that of an Affordable rent typically charged by the Council or a Registered Provider and to balance NCH books. All rents, bar two furnished tenancies, remained at or under Local Housing Allowance(LHA) levels.
- 3.3 Whilst NCH is not bound by the Regulator of Social Housing's Rent Standard, Board have indicated that these homes should be managed in a similar way to those of a Registered Provider. The Rent Standard and associated Policy Statement limit annual rent increases to CPI (as at the preceding September) plus 1%. For 2025/26 this equates to 2.7%.
- 3.4 It is proposed that the 2025/26 rent increase is 2.7% for these homes. This equates to an average weekly increase of £4.07 and provides NCH Limited with £25,404 additional income for the year. Average rents for a two bedroom home would rise to £140.35 per week, a three bedroom home to £161.90 per week and four bedroom to £171.75.

3.5 It should be noted that inflation is currently 2.5% and Nottingham City Council (NCC) have indicated that the costs incurred under the Service Contract are likely to increase by 4% to 5% in 2025/26 due to inflation, pay increase and employers National Insurance rises. It is not recommended that an increase of less than 2.7% is considered.

3.6 Board can consider a higher increase for 2025/26 but should note that there was a 20% increase last year and a higher increase would breach the Local Housing Allowance (LHA) threshold for at least 22 three bedroom houses resulting in a shortfall for tenants on low income. In November 2024, Government announced that LHA thresholds were to be frozen for 2025/26. LHA thresholds are used by Universal Credit and the Council's Benefit service in calculating help with housing costs.

3.7 A 2.7% increase will result in 4 property/ tenancy rents exceeding the relevant LHA threshold; 2 furnished tenancies and 2 unfurnished.

There is little that can be done to mitigate the shortfall in furnished tenancies as NCH has incurred costs in providing the furniture. Their shortfall will be £7 per week out of the £21 per week furniture charge. This was discussed with tenants last year when they had a smaller shortfall and they wished to continue with a furnished tenancy.

Of the unfurnished tenancies, it is proposed to cap both at the relevant LHA level. One rent would be just £0.13 per week above the level at 2025/26 rates. The other is £4.01 per week over LHA because of an earlier market reassessment prior to the latest tenancy commencing. Capping these rents to LHA has a cost to NCH of £215.28 for the year.

3.8 Genuine affordability is an important factor. With this housing provision it should be linked to the assistance a family will receive if it is on low income or subsistence welfare benefits. Any increase that pushes the rent above the LHA threshold would leave a shortfall between benefit levels and the rent levels and that alone may cause financial hardship. This proposal mitigates the financial hardship that may be felt with a higher increase.

5 FINANCIAL, LEGAL AND RISK IMPLICATIONS

5.1 Financial Implications

5.1.1 A modest 2.7% increase is unlikely to meet the increase in costs incurred by NCH in 2025/26, but it is recommended to keep parity with similar accommodation let as social housing in Nottingham.

5.2 Legal Implications

5.2.1 The 120 properties are let on an assured tenancy basis to applicants from the NCC Housing Register. Whilst NCH is not a social housing provider and letting these homes as a private landlord, many tenants are on low income and think themselves to be social housing tenants.

5.3 Risk Implications

5.3.1 An increase higher than 2.7% will better protect NCH Limited against increased costs but at the expense of protection against LHA shortfalls for tenants, many of which are clearly struggling to pay.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES

6.1 Key objectives for NCH and NCC are to create a residual company structure that is sustainable in terms of solvency and financial stability and create homes and places where tenants want to live.

7 EQUALITY AND DIVERSITY IMPLICATIONS

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

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

8.1 None

Name: Mark Lawson, Executive Assistant and Head of NCH RP

E-mail; mark.lawson@nottinghamcityhomes.org.uk

Date 4 February 2025

	Item 2.8
NOTTINGHAM CITY HOMES	
	NCH BOARD
REPORT OF HEAD OF COMMERCIAL PROPERTY & CONTRACT MANAGEMENT	13th February 2025
NCH GROUP ASSET REGISTER UPDATE	
1	EXECUTIVE SUMMARY
1.1	The report highlights the current position for all properties either owned and managed by the NCH Group.
2	RECOMMENDATIONS
2.1	The Board is asked to note and comment on the report.
2.2	Approve the sale of the NCH Owned 160 Dispersed Properties in advance of NCC lender consent expected shortly.
3	REPORT
3.1	Current NCH Portfolio
3.1.1	As part of the constant review of the NCH group property portfolio, the Management Team hold an Asset Register that is updated quarterly through its normal management review process.
3.1.2	The Asset register includes all owned properties of NCH Group, along with numbers of properties leased by NCHRP.
3.1.3	<p>The key changes in property numbers since the Board in December is the continued sale of properties in NCHEL's Phase's 1 and 2 which included 99 properties at the start of the programme in June 2023.</p> <p>Other properties within the NCHEL portfolio that are now on the market include the two blocks at Masson and Ryehill House in the Meadows as part of Phase 3. These blocks are being marketed tenanted and include a total of 34 apartments.</p> <p>The final block within the NCHEL portfolio is Fairham House and this is proposed to be sold to NCC. We await a formal offer from NCC for the property.</p>
3.1.4	In addition to the sale of the NCHEL portfolio, two groups of NCH group properties are also for sale. These are Arboretum portfolio of 28 properties, along with sale of the 10 properties at 105 and 109 Forest Road West.

	<p>The Arboretum has had limited interest to date with only very low offers being made and subsequently declined. However, 105 and 109 Forest Road West have received offers which have been accepted.</p>																													
3.1.5	<p>The aim is to have completed the sale of all NCHEL properties by end September 25, with the total of all 157 properties, sold or within the conveyance process.</p> <p>The sale of NCH owned properties has commenced with the Arboretum, and 105 109 Forest Road West. Confirmation of lender consent from NCC for the sale of the 140 dispersed properties, and 10 Housing led properties 10 further is awaited and expected shortly.</p> <p>Board is asked for its approval for the sale of the 140 dispersed properties and 10 Housing led properties, prior to NCC providing lender consent, as this will enable the process to start without delay.</p> <p>Board is also asked for its approval for the sale of the other 10 dispersed properties that are not subject to any loan. Work has started on these following NCHRP having served notice on those properties that are void.</p> <p>TA property numbers will be maintained overall via other externally sourced accommodation as the sale process for the 160 properties commences.</p>																													
3.1.6	<p>NCH has now had its Stock Condition survey completed with a total of 92.1% access achieved across the NCH and NCHRP portfolio.</p> <p>The data is being processed and will be added to the overall NCH financial model from 2025/26.</p>																													
3.2	<p>The total owned Group assets numbered 476 properties at the end of January 2025, with the table at 3.2.1 providing a more detailed split across the 3 companies.</p>																													
3.2.1	<table border="1"> <thead> <tr> <th>Ownership</th> <th>Assets</th> <th>Total Number</th> <th>Current Use</th> <th>Ownership</th> </tr> </thead> <tbody> <tr> <td>NCH</td> <td>Social Rent</td> <td>120</td> <td>General needs</td> <td>Freehold</td> </tr> <tr> <td>NCH</td> <td>Dispersed Temp Accommodation</td> <td>150</td> <td>Temporary accommodation</td> <td>Freehold.</td> </tr> <tr> <td>NCH</td> <td>Housing Led</td> <td>10</td> <td>NCH RP Supported Housing</td> <td>Freehold</td> </tr> <tr> <td>NCH</td> <td>Midland House</td> <td>21</td> <td>Temporary Accommodation</td> <td>Freehold</td> </tr> </tbody> </table>					Ownership	Assets	Total Number	Current Use	Ownership	NCH	Social Rent	120	General needs	Freehold	NCH	Dispersed Temp Accommodation	150	Temporary accommodation	Freehold.	NCH	Housing Led	10	NCH RP Supported Housing	Freehold	NCH	Midland House	21	Temporary Accommodation	Freehold
Ownership	Assets	Total Number	Current Use	Ownership																										
NCH	Social Rent	120	General needs	Freehold																										
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NCH	Housing Led	10	NCH RP Supported Housing	Freehold																										
NCH	Midland House	21	Temporary Accommodation	Freehold																										

	NCH	Arboretum Including Coach House	28	Vacant/FOR SALE	Leasehold
	NCH	Forest Road West	10	Leased for Market Rent	Freehold
	NCH RP	Move on homes	8	Supported Housing	Freehold
	NCHRP	Affordable and Social rent	31	General needs	Freehold
	NCHEL MARKET RENT (as at 31/01/25)	Market Rent	38	Market rent	Freehold
	NCH EL leased to NCC Social Care	Market Rent	2	Leased to NCC Social Care	Freehold
	NCHEL Ryehill House	Market Rent	18	Market rent/For Sale	Freehold
	NCHEL Masson House	Market Rent	16	Market rent/For Sale	Freehold
	NCHEL Fairham House	NCH RP Temporary Accommodation	24	Temporary Accommodation	Freehold
	Totals		476		
3.3	In addition to the property assets owned by NCH Group, NCHRP also lease additional properties for Temporary accommodation. Currently there are 240 properties in this group which are shown in 3.3.1				
3.3.1	TA Managed by NCHRP	Interests	Self-contained units	Current Use	
	Externally sourced	PRS Leasing Scheme	14	Temporary Accommodation	
	Externally sourced	Corporate Leasing	55	Temporary Accommodation	
	Externally sourced	Corporate Licensing	142	Temporary Accommodation	

	NCC Owned	Highwood House	29	Temporary Accommodation	
			240		
3.3.2	Board will continue to be updated on the changing position of the number of properties managed at Board on a quarterly basis.				
4	FINANCIAL, LEGAL AND RISK IMPLICATIONS				
4.1	<u>Financial Implications</u>				
4.1.1	The financial implications of the disposal of the remaining NCHEL assets, which includes Fairham House, is incorporated into the NCHEL 24/25 budget and will be included in the three-year projected cashflow for the company and Group. These figures rely on several assumptions and estimates relating to the timing of disposal, the cost of disposal and the sales values achieved. The NCHEL budgets and cashflows are reviewed and updated quarterly to ensure any changes to assumptions/estimates are reflected in the figures.				
4.1.2	The cashflow projections rely on a variety of estimates and assumptions that will need to be revisited regularly to ensure these capture the changing position for the Group.				
4.2	<u>Legal Implications</u>				
4.2.1	All residential disposals are being deal with by external specialist providers and external independent estate agents.				
4.2.2	The NCC/NCH task and finish group will also need to consider the remaining disposals so Board can be advised on its approach.				
4.2.3	NCHRP is obliged to provide 400 temporary accommodation units under a commissioned contract. NCHRP does not receive additional funding for providing additional units. A management decision has been reached to monitor the level of Temporary accommodation units that are leased overall.				
4.3	<u>Risk Implications</u>				
4.3.1	Financial and compliance risks are detailed in the Company Risk Register report and are monitored quarterly by the Board.				
5	IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES				
5.1	None				
6	EQUALITY AND DIVERSITY IMPLICATIONS				
6.1	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)	
7	BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT	
7.1	None	
Contact officers:	Name: Tracy Martin Tim Shirley	
	Tel:	
	E-mail: tracy.martin@nottinghamcity.gov.uk tim.shirley@nottinghamcity.gov.uk	
Date: 31st January 2025		