

Aspiration Homes LLP (registered number OC418000)

Meeting of the Executive Committee of Aspiration Homes LLP (the LLP)

11th December 2020 at 10.30 am, Virtual (due to COVID-19)

Executive Committee Present:

A Executives on the Executive Committee of the LLP representing Eastbourne Borough Council, a Member

David Tutt (Executive Chairman) (DT)

Alan Shuttleworth (AS)

B Executives on the Executive Committee of the LLP) representing Lewes District Council, a Member

James MacCleary (JM)

Zoe Nicholson (ZN)

William Meyer (WM)

In Attendance:

Tayo Adejumo, Project Accountant

Andrew Clarke, Deputy Chief Finance Officer

Robert Cottrill, Chief Executive

Ian Fitzpatrick, Director of Regeneration and Planning

Gary Hall, Head of Homes First

Homira Javadi, Chief Finance Officer

Jane McCarthy-Penman, Company Secretary

Nathan Thompson, Head of Commercial Business Development

Tim Whelan, Director of Service Delivery

1. The Executive Chairman confirmed that notice of the meeting had been given in line with Clause 16 of the Members Agreement, and that a quorum of the Executive Committee was present at the meeting (*quorum necessary for the transaction of business shall be four, such quorum to include at least two A Executives and two B Executives*).

2. Apologies for Absence

Tony Freebody (Executive A)

3. Declarations of Interest

James MacCleary who has disclosed his interest as a Director of Lewes Housing Investment Company Ltd, Elected Member (LDC).

Zoe Nicholson who has disclosed her interest as a Director of Lewes Housing Investment Company Ltd, Elected Member (LDC).

William Meyer who has disclosed his interest as a Director of Lewes Housing Investment Company Ltd, Elected Member (LDC).

Alan Shuttleworth who has disclosed his interest as an Elected Member (EBC) and East Sussex County Council Councillor.

David Tutt who has disclosed his interest as a Director of Eastbourne Housing Investment Company Ltd, Elected Member (EBC) and East Sussex County Councillor.

4. The Executives **agreed** the minutes of the meeting held on the 11th September 2020.
5. It was **noted** under Matters Arising that RC advised that he had agreed with the Chair Under AOB, to present to the Committee on 'Market Update – UK Housing Delivery'.
6. It was **noted** that the outstanding matters have been included within the agenda, with the exception of a worked example of a valuation. NT took the Committee through the worked example, the methodology etc. It was agreed that the example would be circulated to the Committee after the meeting.
7. The Executives considered a report on Financial Performance for the period ending 30th September 2020 and the Final Draft 2019/20 Report & Financial Statements (*LLP Agreement Clause 7. Accounts, Auditors and Audit Procedure*).

It was noted that the partnership reports profit of £18k for the first half of the year to 30th September 2020 against a budgeted loss of £15k, a favourable variance of £19k.

The favourable position stems from £26k in Right to Buy (RTB) grant received from LDC in respect of Western Road development, resulting in the profit position for the period with other significant movements in the period set out in section 3.

It was confirmed that there was no specific risk to report to the Committee at this point in time however, it is worth mentioning that a review of the RTB grant received at the end of 2021/20 will shortly be conducted, the implication of which means that if we have received more than we ought to have received, we will be required to pay it back. As a consequence of the repayment, interest payable will increase. The full impact of this change will be communicated to the committee when known.

Turnover (£38k favourable)

It was noted that the favourable variance is due to unbudgeted Right to Buy receipts, which accounted for £26k of the favourable variance, whilst £7k favourable variance in voids is due to no voids being reported during the period.

Bad debt is £4k better than budgeted as residents are keeping up with monthly rental payments, reducing the provision that is required for the period.

It was noted that rental income is close to budget, which is £1k favourable.

Direct Costs (£6k favourable)

Underspend in the period largely stems from £5k underspend in repairs and maintenance. This is due to lower repair costs incurred which can be described as the pandemic effect.

Professional fees (£2k) and rates and utilities (£1k) are both favourable in the period due to lower spend compared to budget, partially offset by £2k overspend on service charge costs at Western Road, as the costs are for nine-months charge to September 2020.

Indirect Costs and Interest Costs (£11k adverse)

Interest costs are £11k overspent, as the company had to draw down on its loans in Q4 of 2019/20 in respect of Northbourne Road (The Addison), Eastbourne. This enabled the LLP to meet additional capital expenditure coupled with reduced RTB receipts which had been included in the interest costs budget at a higher grant than finally agreed in light of the projects' total costs at the end of March 2020.

It was noted that the additional loan and reduced RTB grants were not anticipated at the budget planning/setting phase.

Interest costs for 2020/21 will now be higher than budgeted with necessary forecasts across all activities to be presented at the next meeting of the Committee.

The Committee noted the trade creditor movements set out in the report.

The Committee noted that the draft budget was not ready for circulating and would be presented to the March Committee meeting.

Final Draft 2019/20 Annual Report & Financial Statements

The contents of the final draft of the financial statements were considered and approved for onward submission to Members for signing.

The Executives **resolved:**

- 7.1 **To note** the financial performance of the Partnership for the year ended 30th September 2020.
- 7.2 **To note** and **approve** the final draft Report and Financial Statements for the year ended 31st March 2020, for onward processing to Members for signing.
8. The Executives received a report on rent arrears and tenancy management.

This report provided an update on the position of arrears and any action that is being taken on LLP owned property as at the 30th September 2020 (Q2), and to update on any new tenancy management arrangements for the LLP.

Arrears as at 30th September 2020 : Arrears = £9,682.15

Current Position

The LLP's rent arrears have significantly reduced since the Q1 figure of £17,278.45 to the lowest reported rent arrears figure of £9,682.15 for Q2.

The Account Management Rents Team continue to monitor the rent accounts and have continued to reduce the rent arrears monthly, despite the changes enforced by the C19 pandemic.

It was noted that there are no former tenant arrears to report for the LLP.

Tenancy Management Update

The LLP portfolio continues to remain stable. There are no current ASB cases to report, or any pending eviction cases.

C19 practices remain to incorporate social distancing measures, however, this has slowed down many of the estate functions e.g., lettings and general estate management. However, with revised risk assessments in place, the team continue to deliver an excellent estate management service to LLP tenants where possible.

Under current C19 restrictions, it was noted that the minimum period of notice that can be given to a tenant is six-months. The exceptions are where possession is being sought on grounds of:

- rent being in arrears by at least 9 months' rent owed (not including any rent accrued after 23rd March 2020)
- anti-social behaviour
- domestic abuse
- obtaining the tenancy by fraud (false statement)

The hold on court action has now been extended to the end of March 2021. The LLP accounts are continuing to move to enforcement action where necessary.

There are no voids and no acquisitions to report.

The Executives **resolved:**

8.1 To **note** the report.

9 Any Other Business

The Committee received a presentation from the Head of Commercial Business Development on 'Market Update : UK Housing Delivery'. This presentation considered the PWLB reduced borrowing rates and provided key information for the Committee to consider and discuss at a future meeting of the LLP.

10 Close

The Board noted that as 1 Grove Road, Eastbourne will close on the 31st December 2020, the registered office for AHLLP will be changed to the Town Hall, Grove Road, Eastbourne BN21 4UG. The statutory documents will be relocated to the Town Hall prior to the 31st December 2020. The new company plaque will be placed outside of the Town Hall.

The relevant changes will be made at Companies House.

There being no further business the briefing closed at 11.30 am.

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Chair