



Butterwood Homes Scrutiny Panel

January 25th, 2023

Present

Butterwood

John Swinney (Virtual), Kirsty Jenkins (Virtual), Neil Hince, Joanne Rayne, Claire Lord (minute-taker)

Cllr Engström, Cllr Farmer, Cllr Smith, Cllr Davies (Virtual)

Cllr Quarterman (Observer status - Virtual)

Claire Lord Butterwood, minute-taker

Meeting Started 19.02

It was agreed that Cllr Smith should chair the meeting

1	Minutes From Previous Meeting The minutes from the previous meeting were approved	
2	Operational Plan The new directors introduced themselves by giving a brief outline to their credentials. The meeting was informed that the change in directors had meant that the Business Plan was replaced by an Operational Plan. A New Business Plan will be developed by the New Board. Bridges continue to act as the management and letting agent. The 2021/22 statutory accounts are being prepared by a local firm of accountants with experience of preparing small company accounts. A question was raised about the company AGM, it was explained that the AGM will take place once the statutory accounts are finalised. This is expected to be by March 31 st 2023. An explanation as to what came under the heading of "Compliance" was asked for. Bridges are responsible for landlord compliance - this covered things like PAT testing and testing of the dry risers.	

<p>3</p>	<p>Financial Review</p> <p>It was reiterated to the meeting that purpose of the company was not to make a profit but to provide Affordable Housing to Key workers and members of the local community.</p> <p>A query raised about the increase in the number of voids. It was explained that this figure was an anomaly owing to checks being carried out after a noise complaint in one of the flats. It was confirmed that the flat continued to be in demand and that normally there was only the 1 or 2 weeks between rentals – Bridges need a minimum of 1 week to ensure that the apartment is clean and fully maintained.</p> <p>The meeting asked for details of the service charge. It was explained that this included items such as cleaning of the communal areas and garden maintenance. Repair costs are likely to increase once appliance warranties expire. White goods have a two-year warranty which will expire in June 2023.</p> <p>It was confirmed that the Management Fee was the fee paid to Bridges.</p> <p>A query was raised as to whether the Overheads included electricity and whether the usage was comparable to other rental properties in Hart. It was confirmed that the electricity costs had increased and that the two apartment blocks were using very different levels of electricity and that this was being investigated. Benchmarks between other rental properties in Hart had not been carried out.</p> <p>Discussion took place around the increase in Rents, it was confirmed that the forecasted figures included a 2% increase.</p> <p>It was noted that Staff Costs had gone up, it was explained that this was because HDC Cabinet had agreed, in an exempt session, to pay the directors. The role of Director carries statutory responsibilities and payment is appropriate.</p>	
<p>4</p>	<p>Progress Update</p> <p>It was confirmed that the website was live, and that it was a vehicle to promote the company to potential developers, however the company would only grow as fast as the Shareholder wanted it to.</p> <p>The meeting was told that the company continued to be happy with Bridges as a management agent, that the voids for the year were marginal and that there had been minimal maintenance required.</p> <p>The directors told the meeting that they would be meeting next week, when they would be discussing the possibility of acquiring another group of properties.</p>	

5

Questions

Discussion took place around the funding of any future projects. Clarification was required around the availability of PWLB loans. Ms Rayne stated that confirmation would be sought on this matter from Mr Clark Hart District Council's S151 Officer.

Clarification: PWLB funds are not available to acquire capital assets, primarily for yield. This rule extends to Internal borrowing.

Cabinet, in an exempt session (Dec 2022) agreed that affordable housing S106 funds could be used to fund a future affordable housing acquisition.

Meeting Closed 19.52