

Shire Homes Lettings – Private Sector leasing scheme

Date: Tuesday 9 May 2017

Present: Redacted data

Apologies: Redacted data

Minutes

1. Legal Update

Company name

Initial company that was incorporated didn't have the correct setup. A further company has therefore been registered with different articles, which have been agreed by Ensors (financial advisors).

All paperwork has been completed for a name swap and the old company cannot be closed down until after three months of trading has expired. Walker Morris to deal with this, unsure whether nil return accounts will need to be sent. Walker Morris to advise.

LM will need to change registration number on all documentation.

Company needs to be finalised before lease and other docs can be finalised.

Post meeting note: Confirmation received that name swap is complete. Registered company is now: Shire Homes Lettings Limited, registration number: 10718044

Lease

All outstanding queries have been dealt with. LM will chase Jill Anderson at Walker Morris, who is dealing.

Management agreement / Service Level Agreement

Discussed whether the financial arrangements between South Cambridgeshire District Council (SCDC) and Shire Homes Lettings (SHL) needed to be in the management agreement and agreed they did.

SC and LM to review latest version of the agreement, which LM has requested from Walker Morris.

Robin Culshaw and Elizabeth Wood are dealing with this at Walker Morris.

Assured Shorthold Tenancy Agreement

Still with Walker Morris (Zoe Maclean-Wells) but should be ready to go once Company finalised and checked that it mirrors lease with regard to responsibilities.

Data sharing and third-party agreement – LM checking with HB what is required to ensure she can check claims etc. – expect this will need a separate agreement that the tenants sign.

MW is checking if HB will pay 4 weeks in arrears.

Board / Governance

For the purpose of the future meetings, we need to establish a quorum, which is outlined as 2 members within the articles of association.

SH is Director and need to see if AC will be Secretary. This will perhaps be required for bank account purposes also.

Audit

We will need to decide and tender for the audit – possibly Ensor. No urgency – sometime during the year.

State Aid

Based on advice from Walker Morris, would be exempt.

Stamp duty

At the previous meeting, Ensors agreed that this was dependant on cost of the term of the lease. If £125,000 or more will be subject to stamp duty. This will not apply for 3-year leases.

2. Financial Update

Menu of Services

At a previous meeting with Ensors, it was suggested that money is transferred into the bank account, via a menu of services, such as staffing, maintenance, rents/open housing and accountancy, and hence SHL invoices SCDC.

VAT

Further meeting required with finance. Julia/Martin to progress.

Most activity will be VAT exempt but need to consider if there will be benefit or not in applying.

Corporation Tax

This is paid on profit, so shouldn't have to pay.

Bank Accounts

JH has contacted Barclays and in the process of setting up two accounts – one for income and one for payments.

Maybe best to pay landlords by cheque initially, particularly as we are changing from FMS in October.

Rent system

OK to use open housing and this will be easier for benefits. MW investigating costs/timescales involved with Capita. Post meeting note: Matt awaiting quotation.

Rent accounts can be set up once bank accounts are set up.

Payment Options

Initial set up costs with Capita was £750 for Chip and pin – 3p authorisation fee per transaction – but there is a minimum monthly charge of about £45, regardless of number of payments. There were also additional charges, depending on the type of card used (90p or 1.85%), to monitor and see if this would be useful in the future.

In the meantime, we can use standing orders, possible 'ping it' as using Barclays accounts or direct payment (though we agreed we would not encourage this, but also wouldn't refuse). MW was exploring cost of PO payments system. LM has a receipt book, for all payments.

LM will speak to LH about direct HB payments, as may be possible if 'vulnerable'.

Insurance

Landlords to insure their own properties. Advice from Karl indicates owners should get our interest noted on the insurance – Sue to query how important this is and purpose.

We will need to take out a Directors and Officers Policy. Post Meeting Note: Proposal form now received from Zurich Municipal, for completion and return

It is advisable, that we and the landlords have public liability insurance. SC to check the amount this will be needed for and whether included in the Council's cover. Post meeting note: The statutory limit for Employers Liability is £5 million, and this is thought to be a good guide.

Flexible Homeless Support Grant

We have received notification of the amount of grant for this scheme and other temporary or preventative accommodation, for this and the coming financial year.

3. King Street update

Transfer of existing tenants – it was agreed we would want to use our own leases rather than have the King Street one assigned to us. LM to get an update on particular cases and we can then request copies of those specific leases and tenancy agreements and double check with legal in terms of the actions we should take.

King Street have been asked us to serve notice on the Sawston property we own, and it was agreed we should do this for the Duxford property too. The tenant in Sawston, wants a higher priority to move to alternative secure accommodation. LM to speak to Maria and then to legal regarding serving notice, in accordance with individual leases.

4. Repairs

DP will give LM a list of the info needed to set up the properties on Orchard. Properties can be set up on Orchard using abbreviation SHL to identify the Shire Homes Lettings properties.

Will use schedule of rates to start with and monitor this.

LM will give instructions around voids and will need to specify things like leaving the carpet in.

LM will do detailed inventories and will work with technical staff to begin with.

Properties will need an Asbestos survey as Mears won't work in them without this. This is not a legal requirement, but good practice. Cost is £150, and is out-sourced to a company in Nottingham. LM to discuss with Wayne/Lizzie about this.

Will use Mears for all emergency repairs and routine maintenance. David to email Mears for clarification. Post meeting note: Gavin, Mears Regional Director has agreed to take on the properties, under Exclusions.

LM to contact SP with regard to grounds maintenance, on leased properties.

A private contractor may be sourced to carry out any end of tenancy cleaning.

Commitments – reporting emails can be sent on a regular basis for monitoring.

Invoices – can be separated out and all will be passed to LM to authorise, and monitoring of costs of repairs.

Will need to complete a scheme of delegation form – ML will send a copy of this, for SH to authorise.

5. Any Other Business

Landlord info pack – LM to circulate with the minutes

Complaints procedures – LM has done one of these but will update it for the new company.

Under occupation – unclear whether this applies. LM to check with Lynda in HB.

Council tax – Shire Homes Lettings will be responsible for any void periods.

6. Next meetings

Agreed to set these in advance – every two months.

Tuesday 4 July 2017 – 11am to 12.30pm – to be confirmed?

I agreed that these are a true record.

Signed:

Stephen Hills – Director

Dated: