

<b>11 October 2021</b>		<b>ITEM: 6</b>
<b>General Services Committee</b>		
<b>TRL Progress Report</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Councillor Mark Coxshall, Cabinet Member for Regeneration, Strategic Planning and External Relationships		
<b>Accountable Assistant Director:</b> N/A		
<b>Accountable Director:</b> Sean Clark, Corporate Director of Resources and Place Delivery		
<b>This report is Public</b>		

## **Executive Summary**

Thurrock Regeneration Ltd (TRL) is wholly owned by Thurrock Council. There is subsidiary company, Thurrock Regeneration Homes Ltd (TRHL), this is wholly owned by TRL. Within the Council, delegated authority has been given by proxy via to the General Services Committee to the Director of Resources and Place Delivery (to act on behalf of the Shareholders).

Currently both companies have one Director and Chair - Roger Harris (the former Corporate Director Adults, Housing Health and Children's Services).

On the 5th July 2021, the GSC agreed an Independent Board could be appointed and any previous restrictions on the existing Director of TRL be removed. TRL can appoint up to another four directors as per their articles of association.

This report provides an update on the companies' progress since July 2021.

### **1. Recommendation**

#### **1.1 The contents of the report are noted**

### **2. Introduction and Background**

2.1 TRL is a regeneration and investment company – building a range of property across various tenures. The principle focus of the company is to support the achievement of the Council's wider regeneration goals through the delivery of specific schemes which support the delivery of new homes in the borough.

- 2.2 TRL gives the Council a vehicle to increase the delivery rate of housing development, particularly on brownfield sites, and to ensure the delivery of affordable housing, especially in a tight housing sector market where private sector developers see less profit in delivering affordable housing. It is part of the housing solution to provide more homes within the Borough.
- 2.3 The Local Plan for Thurrock (currently at Issues and Options Stage 2) has an indicative target of building 32,000 homes over the next Local Plan period to 2037. There are currently 62,000 homes in the Borough, so the Local Plan target is almost a 50% increase in the housing numbers in Thurrock.
- 2.4 The South Essex Strategic Housing Market Assessment (May 2017) also sets out the objectively assessed need for Housing in Thurrock between 2014 and 2037 as 1,074-1,381 new dwellings per annum, of which c 472 dwellings per annum should be affordable housing. TRL, in partnership, with the Council can positively contribute to these targets.
- 2.5 Progress to date has seen the delivery of one housing scheme (St Chads), providing 128 homes (including 26 affordable homes).
- 2.6 TRL also owns the site at Belmont Road, having purchased the site from the Council. Planning permission has been granted for 80 homes.

### **3.0 Issues, Options and Analysis of Options – Updates on Progress**

#### **3.1 Governance and Recruitment**

- 3.1.1 In order to achieve its ambitions, TRL requires strong governance and a resilient Board of Directors. The current articles of association for the company provide a structure of a maximum of five directors, a company secretary and various consultants (e.g. legal and finance). The deciding vote rests with the Chairperson of the Board.
- 3.1.2 Good corporate governance will ensure the Board is resourced with the necessary skills and experience to scrutinise recommendations and make qualified decisions, and that external directors can be remunerated. There is a need for the company to be independent and agile in their ability to respond to market forces and make decisions. The Board should regularly undertake a skills audit to ensure that it has an appropriate balance of skills and experience appropriate for the type of company they are running.
- 3.1.3 It is evident that the TRL Board would need to evolve as its development programme and profile grows. It should be noted, any Director of the company must (under the Companies Act 2006) act in the best interests of the company. TRL are currently looking for strategic thinkers with a proven track record in housing development, finance, property and/or development and legal services.

3.1.4 Recruitment has commenced through numerous and will conclude by end of October 2021. The nominal process for recruitment is:

- Remuneration Policy - agreed;
- Production of recruitment pack - concluded;
- Out to advert – in process;
- Review director applications (the panel includes; Director of TRL and Corporate Director of Resources and Place Delivery);
- Shortlist, interview and recommendations to the shareholder (GSC) to agreed (The Director of Resources and Place Delivery nominated by proxy) to discuss appointment decisions; and
- Appoint selected Directors.

3.1.5 Commitment will be a minimum of 15 days per year through, in the main, attending and contributing at Board meetings. The appointment would be for an initial three year term.

## **3.2 Remuneration Policy**

3.2.1 The key objective of a remuneration policy for Board Members is to ensure that the company attracts, retains and motivates competent, committed and appropriately remunerated persons to enable the effective delivery of the company's objectives and the continued success of the organisation.

3.2.2 The remuneration policy was agreed at a General Meeting on 2<sup>nd</sup> September 2021.

3.2.3 The awarded fee will reflect individual experience and qualifications whilst reflecting an expected time commitment. Board Members are to be awarded £4,500 per annum for a minimum commitment of 15 days per year (mainly being attendance at Board meetings). The appointment would be for an initial three year term.

3.2.4 When determining the pay levels and terms and conditions of appointment of Board Members, the company considers other comparable housing companies remunerations but also factor in the following:

- Nature, breadth and scope of the Board Member role, including reference to the Company strategic plans and/or risks;
- Market comparison benchmark data for comparable roles in organisations of a similar size and nature at the time of appointment;
- Market conditions (including availability of appropriate prospective candidates and similar roles); and
- Performance of the Company; performance as assessed by the Company Chair through the annual objective-setting and appraisal process. This takes into account an assessment of Board Member attributes, experience, knowledge and ongoing qualifications.

### **3.3 Belmont Road, Grays**

3.3.1 TRL owns the Belmont Road site. The planning consent for the current 80 unit scheme was granted on 15 November 2018 with condition #1 of the planning consent stating: "The development hereby permitted must be begun not later than the expiration of 3 years from the date of this permission". In effect, without any material start on site by 15 November 2021, the current planning consent will lapse and become null & void.

3.3.2 All feasible options have been explored for sustaining the current planning consent and it is not considered possible to meet the material start condition. It is therefore necessary submit another planning application.

3.3.3 Over recent months the Board of TRL has considered:

- Financial viability;
- Comparative budget estimates;
- Indicative delivery programme; and
- Risk profile.

3.3.4 At a TRL Board meeting on 21<sup>st</sup> September 2021, the Board agreed to amend the currently consented scheme (amending the design to meet current design standards), but keeping the overall design, unit and tenure mix as currently approved by the Local Planning Authority, for 80 residential units.

3.3.5 TRL wants to ensure the Belmont Road development is progressed and on site as soon as possible, in order to provide further homes (private and affordable) to residents of the Borough, working in partnership with the Council to be part of the solution of providing new homes in Thurrock.

### **3.4 St Chads Estate, Tilbury**

3.4.1. TRL has an operational subsidiary company named Thurrock Regeneration Homes Ltd (TRHL). TRHL is wholly owned by TRL, keeping separate the strategic development and sales aims of the parent company (TRL) from the operational management of its assets through the subsidiary (THRL).

3.4.2 Providing quality rental housing under assured short hold properties TRHL is providing for different housing needs not currently provided for by the local housing market.

3.4.3 The St Chads estate has 128 properties - TRHL currently owns and rents 102 properties with the remaining 26 properties owned by a Housing Association partner, providing affordable housing in perpetuity for Thurrock residents. There is a mix of 2, 3 and 4 bed houses on the estate. The estate was completed in August 2017.

- 3.4.4 TRHL works in partnership with its managing agent HERA to undertake estate management and maintenance services this including; lettings, income management and tenancy management.
- 3.4.5 HERA and TRHL have monthly contract meetings to review performance and discuss any areas of concern and agreed, where appropriate, any action. There are numerous key performance indicators upon which HERA report monthly including rents and lettings. This is to ensure services are managed well and any issues are resolved at the earliest opportunity.
- 3.4.6 Tenants can communicate with HERA via their current IT portal or by post, email, or telephone. Tenants are provided with a group email and telephone number, ensuring that all calls and emails can be logged and allocated to the appropriate person. If an issue affects multiple tenants, a group email is sent to all tenants advising of the situation and what action we are taking to remedy it. Once an issue is resolved all tenants receive a further update.

### **3.5 Business Planning and MTFs**

- 3.5.1. TRL are continue to review and update the business plan modelling to ensure financial and business decisions are optimised. TRL works closely with finance colleagues in Thurrock Council via a SLA to ensure its financial obligations are fulfilled in respect of financial reporting.
- 3.5.2 The financial planning will consider further schemes if they can clear the financial viability assessment included in the development appraisal process and make a positive contribution towards the delivery of the company business plan.
- 3.5.3 TRL continues to work with the Council to consider potential land disposals that enable TRL to develop further schemes which support both the objectives of the company and the Council.

## **4. Reasons for Recommendation**

- 4.1 To increase the rate of delivery of housing development and new homes in the Borough of all tenures.
- 4.2 To note progress of company activity.

## **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 None

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The proposed list of housing development sites aligns closely with the Council's Vision and Priorities. In particular it resonates with the "Place"

theme which focuses on houses, places and environments in which residents can take pride.

## **7. Implications**

### **7.1 Financial**

The financial implications are set out in the body of the report.

Implications verified by: **Jonathan Wilson**  
**Assistant Director, Finance**

### **7.2 Legal**

This is an update report in relation to the companies activities, Members are receiving the report as shareholders of the companies which have their own management and operational board for decision making. The legal implications are where relevant detailed within the body of the report.

Implications verified by: **Ian Hunt**  
**Assistant Director Law and Governance**

### **7.3 Diversity and Equality**

The recruitment and remuneration of Board Members will be conducted using a fair and consistent approach that supports and encourages diversity of representation and is compliant with the Equality Act 2010 and Public Sector Equality Duty.

Implications verified by: **Rebecca Lee**  
**Team Manager – Community Development and Equalities**

### **7.4 Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, Looked After Children)

N/A

## **8. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- TRL Remuneration Policy (Company document)
- TRL Business Plan (Company document)
- TRL Business Plan modelling (Company document)

**9. Appendices to the report**

None

**Report Author:**

Helen McCabe

TRL Development Manager/Company Secretary