

**Agenda Item No B30-1.22/23**  
**Board minutes**

Board meeting – Nexus House, Meeting rooms 2 & 3 – Wednesday 28 September 2022

**Present:**

**Members:**

Christian Cadwallader	Board vice chair
Kevin Ward	CCC chair (virtual)
Guy Stenson	ARC chair
Chris Sutton	Board member
Mike Usher	Board member
Dale Walker	Board member
Andrew Gregory	Board member
Sarah Croft	Board member
Dr Jenifer Baxter	Board member (virtual)

**In attendance:**

Ceri Doyle	CEO
Gareth Yeoman-Evans	Executive director of finance & resources (EDofF&R)
Matthew Davies	Executive director of development (EDofD)
Sonia Furzland	Executive director of operations (EDofOps)
Stephanie Bradley	Director of Corporate Services (DofCS)
Sophie Taylor	Deputy director of finance & procurement (DDofF&P)
Julie Summerhayes	Deputy director of people (DDofP)
Joanna Fairley	Deputy director of governance & company secretary (DDofG&CS)
Sharon Wilkins	Director of homes and communities (DDofH&C)
Lee North-Smith	Interim deputy director of people & place (IDDofP&P)
Chris John	Strategy, performance & risk lead (SP&RL)
Gill Sherman	Governance & strategy team leader (G&STL)
Ben West	Governance & compliance officer/minute secretary (G&CO)

	<b>AGENDA ITEM</b>	<b>ACTION</b>
<b>1.</b>	<b>Welcome to board members</b>	
1.1	The vice chair opened the meeting at 17:30, welcoming the new board members, following the successful AGM and sent best wishes to Lynda and her family. The vice chair, in the chair's absence, chaired the meeting throughout.	
<b>2.</b>	<b>B19.22/23 – Apologies for absence</b>	
2.1	Apologies were received and noted from Lynda Sagona and James Tarrant.	

**Resolution: Apologies were received and noted from Lynda Sagona & James Tarrant**

**3. B20.22/23 – Declarations of interest**

3.1 No declarations of interest were made.

**4. B21.22/23 – Digital approvals**

4.1 The following resolutions were digitally approved or noted through Convene and met quorum requirements of five members voting/noting:

There were no questions raised on digital voting items and clarification points were shared directly with individual members.

**Resolutions:**

1. **The board approved the minutes of the previous board meeting held on 27 July 2022 as a true record.**
2. **The board noted the two in progress and three completed matters arising.**
3. **The board noted the two chairs action since the 27 July 2022 board.**
4. **The board noted the use of the company seal thirty-one times for numbers 14-44 since the 27 July 2022 board.**
5. **The board approved the use of the seal for a short-term lease agreement between Pobl Group and the association.**
6. **The board noted the chair/CEO overview.**

**Dr Jenifer Baxter joined the meeting at 17:32**

**5. B22.22/23 – NCH Strategy 2025**

5.1 The SP&RL explained that the review had been informed by the many changes in the operating environment, and had been shared with board, all colleagues and customers for feedback which concluded that the strategies and ambitions remain correct.

5.2 The SP&RL concluded, by referring members to the Convene reference area for the NCH Strategic Planning Framework and highlighted the risk management threat to the association's ambition which was covered at B25.22/23, appendix 5.

5.3 A member commented that the report reflected previous board discussions and the changes agreed at the board strategic planning day (BSPD) in December 2021.

5.4 Members went on to discuss the use of language in the strategy, noting that it was a five-year strategy supported by individual supporting strategies, frameworks, strategic commitments and the annual (three-year rolling) corporate plan that utilised the board's agreed metrics.

5.5 A member suggested the different numbers of 9,000 homes and 10,000 relationships be clarified within the strategy. The SP&RL confirmed that this referenced different measurements, eg social **SP&RL**

homes for rent versus other markets the association supported, as well as customers and would ensure clarity.

- 5.6 A debate ensued on whether changes in the economy and Welsh Government (WG) would affect the association's ability to deliver on the remaining period of the strategy. The SP&RL responded that WG had not published its ambitions and expectations for the coming year, adding choices would have to be made in response to the three dominant impacts, affordability, tackling the housing crisis and the current energy crisis, noting the board would need to consider how it agreed its priorities.
- 5.7 The chair queried how the association mixed/matched these priorities against a fluid operating environment. The CEO responded that the board's first big choice was at the forthcoming November workshop for rent setting, where the board would debate the rent charge for customers, which needs to be determined by December. Rent setting would need to factor in the cost of living crisis risk and the WG policy approach, noting that the board's decision was both a moral and financial one.
- 5.8 Members discussed different rent settlements across the nations, England in consultation for a settlement based upon 3, 5 & 7 percent and the implications of a potential rent freeze, supporting the most vulnerable, customers not on housing benefits, shared ownership as well as the impact on decarbonisation and lowering fuel emissions. The CEO concluded that a further workshop in March 2023 would focus on the budget and business plan following the rent setting.
- 5.9 There being no further questions the board approved the update.

**Resolution: The board reviewed and approved the updated draft NCH Strategy 2025**

**6. B23.22/23 – Supporting strategies**

**6.1 Customer voice strategy**

The DofH&C referred members to the customer voice strategy, which combined the customer services and resident engagement strategies into a single overarching strategy setting out a clear vision of becoming an association that puts its customers first.

- 6.2 The strategy will be delivered through three key priorities, with each priority having two aims for delivery:

**Priority 1: Put customers first**

**Priority 2: Deliver inclusive services that meets the needs and preferences of our customers**

**Priority 3: Enable a strong and influential customer voice.**

These priorities were informed by the STAR customer survey data, transactional surveys and the input from a member of our SP who is an equal partner on our strategy working group.

- 6.3 Colleagues also fed directly into the strategy through a dedicated session held at the colleague conference, engagement and shadowing in the summer, over 400 comments were received and these were grouped through thematic analysis.
- 6.4 The DofH&C concluded, before taking questions that both customers and colleagues had provided the same or similar feedback, giving confidence that the priorities identified were the right ones. TPAS (Tenant Participatory Advisory Service) were also commissioned to review our current Resident Engagement Strategy (RES) and they made recommendations for improvement, alongside a review of best practice across a range of sectors, identified through the UK Customer Satisfaction Index published by the Institute of Customer Service twice-yearly.
- 6.5 Members questioned the level and type of engagement with customers, and queried the top themes for improvement. The DofH&C advised that communication and right first time were the top two themes for improvement identified by both customers and colleagues. The DofH&C added that to improve communication with customers, the association has developed a new digital interactive 'Customer and Community at the heart' publication, which will be published next month. The DofH&C commented that the new on-line forum NCH Connected had reached nearly 1,000 customers, which aims to improve customer engagement with NCH and its services. The DofH&C concluded that all complaints and compliments were triangulated to understand the customer view, which was then used to identify areas for improvement.
- 6.6 Members queried whether any tension existed between customers and the local community and the different ways in which they can manifest. The DofH&C highlighted the challenges that can be faced on some development programmes, with the perceived stigma around social housing, discord across some large highly concentrated social housing estates. The new community development team are working directly with local communities to better understand their community profile, which will identify any underlying causes for tension and facilitate partnership working to help that community accordingly.

- 6.7 Members went on to discuss complaints and the EDofOps assured members that a strong complaint learning feedback panel existed which looked at all complaints, provided a rich set of data which was used to identify changes needed and any lessons learned.
- 6.8 The DofH&C went on to explain place-based working, the role of neighbourhood managers and their work within communities, increasing visibility through community estate walkabouts. The DofH&C continued that this was helping to identify local priorities, which will be captured within local 'what matters plans'. The DofH&C concluded that due to public service cuts, customers looked to the association to resolve all challenges and boundaries had to be set against some of the challenges, eg the association is not responsible for highways or social services, and it is important to manage the expectations of customers.
- 6.9 A member queried as to how long it would take for a co-production model of decision making to be developed. The DofH&C responded that this was not a short-term action, and the delivery plan to support the strategy would set out actions that will be delivered over the next five years. The EDofOps added that some communities were further forward than others.
- 6.10 A member asked for clarification on timing of documentation eg would the new strategies align with the remaining term of the 2025 strategy or stagger into the future strategy. The CEO commented that board's vision covered a five-year period, supported by the Strategic Planning Framework, 30-year business plan, and three-year rolling budget and corporate plans. The CEO continued that changes in culture drives change and there was an intentional staggering of work to ensure that activities do not come to an abrupt end. The CEO concluded that work continued across the rolling five-year periods on the three overarching focuses: customer, community and colleague, alongside the need to maintain assets, and provide services in the way our customers want.
- 6.11 The CEO commented that the proposed approach would move away from a paternalistic service across the next 18-24 months, and will focus on co-production, building an internal culture of empowering colleagues to work with customers on solutions that met their needs.
- 6.12 A member commented that following the embedding and maturity of the strategy, there may then be opportunity to agree targets against measures. The chair added it would be helpful to understand how well the strategy was performing annually.

- 6.13 The DofH&C urged caution as targets could drive wrong behaviours, and measures would be reported through KPIs. The EDofOps agreed to look further on how we evidence trust, customer satisfaction, and the right kind of digital interaction. The EDofF&R added that there was the ability to compare to sector peers to understand the association's performance. **EDofOps SP&RL**
- 6.14 Asset management strategy  
The IDDofP&P referred members to the asset management strategy 2022-2027 which consisted of multiple moving parts, which were complex and multi-layered, giving examples of decarbonisation and energy. The IDDofP&P continued that the 55+ and commercial stock would become clearer during the next year.
- 6.15 The IDDofP&P continued that the strategy covered the customer, homes, community, and planning, including decarbonisation, concluding before taking questions, that some of the objectives were well advanced, exemplifying the DLO trades project along with voids and the letting review, whilst recognising the in-house decarbonisation skills had not yet been scaled up.
- 6.16 A member commented that the strategy was more customer focused rather than asset in that there were a number of asset management challenges in the form of listed and heritage buildings, emerging funding opportunities, exposure to investment markets, refurbishment and repurposing, city centre living which needed to be reflected in the strategy in order to determine the level of required skills to resource them.
- 6.17 The IDDofP&P confirmed that an external resource with experience within the commercial market would be used to undertake a commercial review which would identify skills gaps, adding that an underpinning strategy, which looked at the skill set required for decarbonisation was in place and the DDofP confirmed that an organisational skills matrix was capturing the skills required across the association.
- 6.18 The EDofOps added that with significant growth in the city centre, a cross section of public sector partners needs to consider the support services, eg Health, education, crime prevention etc required to serve the growing numbers of residents.
- 6.19 Following a member's comment on whether the ambition was strong enough in relation to placemaking, members discussed the need for the association to take the lead, identifying relevant skills and requirements for communities to achieve this.

- 6.20 The CEO agreed, and referred members to the strategic planning framework, the development and regeneration governance framework, the environmental sustainability commitment etc, and suggested producing a one-page visual which demonstrated the golden thread and reflected the association's ambition, identifying key areas of growth, customer voice, treasury and how these connected and brought the NCH Strategy 2025 to life. **EDofF&R**
- 6.21 The chair commented there were a lot of complexities and the association should not be afraid of seeking external expertise.
- 6.22 A member made two observations, firstly the operational psychology under priority 4 on timeline for retrofits which showed a hard five years, as the amount of skilled people available would gradually diminish and the association may not be quick enough to skill up its own workforces, primarily for insulation and boiler skills. The member continued with the second observation regarding information about digital data, explicitly on decarbonisation and customer experience, asking in what way data was obtained and how it fed back into the other strategies.
- 6.23 The IDDoF&P responded that a bigger investment for short, medium and long term was needed that initially focused on the fabric of assets before utilising technology to develop more cost-effective methods of maintenance and improvement then removing the reliance on fossil fuels.
- 6.24 The IDDoF&P continued that neither the expertise or supply chain was adequately resourced to face the decarbonisation challenge, and that further consideration was needed on how we skill up the existing workforce as well as better utilise technology.

#### **Resolutions:**

1. **The board reviewed and approved the draft Customer voice strategy**
2. **The board reviewed and approved the draft Asset management strategy**

**The board broke at 18:52 and returned at 19:01**

7. **B24.22/23 – Strategic commitments annual progress report**
- 7.1 The SP&RL referred members to the report, highlighting that the strategies were the building blocks on which success depended, and whilst there were limited tangible outcomes to report currently, it was anticipated that across the coming years an escalation of outcomes would be presented for board scrutiny.
- 7.2 Members were invited to raise any questions with commitment leads.



- 7.3 Under the environmental sustainability commitment, the DofCS responded to a member query which related to the cycle to work scheme, confirming the percentage increase reported equated to an increase in participation from 17 to 30.
- 7.4 Members had no further questions for the DofCS on EDI, SP&RL on environmental sustainability, EDofD on growth, and noted the annual progress report.

**Resolution: The board noted the annual progress report on the association's strategic commitments.**

- 8. B25.22/23 – Q1 integrated performance report**
- 8.1 The SP&RL referred members to the report which provided the key information against the three strategic priorities. The SP&RL added, before taking questions, that the paper had been issued prior to the significant change in the political and economic landscape.
- 8.2 The chair complimented the thoroughness of the report and the DofH&C responded to the chair's request for an update on arrears taking into consideration external challenges that could impact upon association performance. The DofH&C advised that if the rise in rent arrears continued on its current trajectory they could increase by ■■■ this financial year, noting that whilst rising living costs posed a threat to maintaining customer rent accounts, there was no clear evidence that this has been a significant factor behind the rise in rent arrears.
- 8.3 The DofH&C highlighted some of the internal challenges in Q1, including the administration of rent uplifts for over 3,000 Universal Credit (UC) claimants and the introduction of a new payment provider, which had resulted in less focused time available for account managers to work directly with customers on maintaining their rent payments.
- 8.4 The DofH&C continued that the team had also undergone significant changes following the restructure introduced in April with colleagues embedding new ways of working, focused on prevention and supporting interventions. The DofH&C commented that measures were in operation to mitigate some of the key challenges, including a social media campaign #Think Home First, which is targeted at customers who may not be prioritising their rental payments and could be at risk of eviction.
- 8.5 The DofH&C confirmed that consultation had taken place with customers on affordability of rent and cost of living pressures, which would be shared at the board workshop for rent setting in November.



The EDofOps added that in talking with other HAs, there was an alarming trend in rent arrears, some as a response to the Covid inability to evict which had changed the relationship between customer and the association, and recognised the cost of living crisis was an increasing risk across the sector.

8.6 The board discussed the importance of ensuring customers were signposted for additional support and help eg through the hardship fund. The board went on to discuss debt counselling, support agencies being at capacity, the role of APA's (Alternative Payment Arrangements) for rent being made directly to HAs and the trend being seen in donations decreasing at foodbanks resulting in less available support.

8.7 The ARC chair raised other challenges faced by front facing colleagues in having the confidence to have difficult conversations with affected customers alongside competing demands on their time. The DofH&C confirmed there was a separate income team that supported customers to meet their rental payments, and in the current economic climate these discussions were becoming ever more challenging. The DofH&C concluded that there were also signs that other local housing associations had started to pay higher salaries to attract skilled income account managers, which was being closely monitored.

8.8 Following further board discussion on data, satisfaction trends, and the increasing trend in serious ASB, the chair referred to the probability risk score of 4 which the ARC chair confirmed would be discussed at the next ARC.

**Gov Team**

8.9 There being no further discussion or questions members noted the integrated report.

#### **Resolutions:**

1. **The board reviewed and noted the performance at appendix 1**
2. **The board approved the management accounts at appendix 2**
3. **The board approved the treasury report at appendix 3**
4. **The board noted the development and regeneration programme dashboard at appendix 4**
5. **The board noted the major risks: key concerns and key controls at appendix 5**

#### **9. B26.22/23 – Upper Dock Street updated costs and viability**

9.1 The EDofD referred members to the report which requested members to approve an increase in costs to those previously approved by board, as they were greater than 10% of the contract sum and therefore required under the D&RGF. The EDofD continued, before taking questions, that due to challenges faced by the sector and

construction industry, which was currently experiencing continuing cost increases to the schemes, there had been an increase in the build cost, and an agent/cost consultant was used to undertake a Cost to Complete exercise which advised that the revised costs were fair and reasonable.

- 9.2 Members discussed the base cost, the increase on material costs across the sector, the benefit of supporting the local supply chains, impact on contractors profit margins and the function of the development and regeneration governance framework (D&RGF) and its continued evolution, which was due to be reviewed at the November board. The CEO outlined the potential to have a development subcommittee so the board could, in the same way as ARC and CCC delegate authority to deal with the level of granularity and delegations. **EDofD/  
EDofF&R/  
CoSec**
- 9.3 There being no further questions the board approved the recommendation.

#### **Resolutions:**

1. **The board approved the recommendation for a revised contract sum of [REDACTED] due to the increase in material and labour costs, and additional costs relating to required conservation works previously reported**
2. **The board delegated authority to the CEO/executive directors to sign and/or sign and seal all documents associated with this transaction.**

#### **11. B27.22/23 – Any other business**

- 11.1 The CEO referred back to the discussion on WG possible rent increases/freeze and informed the board that discussions with other CEOs had taken place to collectively brief Assembly Members on the risks of a potential rent freeze. Members noted that communication would advocate a sensible approach which recognised the service delivery provided in communities which would not happen, or would be significantly curtailed, as a result of an imposed rent freeze.
- 11.2 The chair informed members that this was the DofCS' last board as she was leaving for a new position at the Welsh National Opera. The chair thanked the DofCS for her work, particularly in respect of the refinancing exercise, and wished her good luck.
- 11.3 There being no any other business, the meeting closed at 19:44.

**Date of next meeting – 23 November 2022**