

Agenda Item No B21-1.22/23
Board Minutes

Board Meeting – The Mercure Hotel, Newport - Wednesday 27 July 2022 17:30

Present:

Members:

Nicola Somerville	Board chair
Christian Cadwallader	Board vice chair
Kevin Ward	Board member
Guy Stenson	Board member
Chris Sutton	Board member
Mike Usher	Board member
Robiu Salisu	Board co-optee

In Attendance:

Ceri Doyle	CEO
Matthew Davies	Executive director of development (EDofD)
Gareth Yeoman-Evans	Executive director of finance & resources (EDofF&R)
Sonia Furzland	Executive director of operations (EDofOps) Virtual attendance
Julie Summerhayes	Deputy director of people (DDofP)
Sharon Wilkins	Deputy director of homes and communities (DDofH&C)
Joanna Fairley	Deputy director of governance & company secretary (DDofG&CS)
Chris John	Strategy & business intelligence manager (S&BIM)
Alison Watkins	Governance & strategy business support coordinator (G&SBSC)/minute clerk
Gill Sherman	Governance Team Leader

Observers: Lynda Sagona, Sarah Croft, Dale Walker, Andrew Gregory

- | | AGENDA ITEM | ACTION |
|-----------|---|---------------|
| 1. | Welcome to board members and observers | |
| 1.1 | The chair opened the meeting at 17:30 and welcomed members. | |
| 1.2 | The chair expressed her thanks to Lynda Sagona, Sarah Croft, Dale Walker and Andrew Gregory for attending the meeting as observers. | |
| 1.3 | Board members and officers introduced themselves and their role in turn, for the benefit of observers. | |
| 2. | B10.22/23 - Apologies for absence | |
| 2.1 | Apologies were received and noted from James Tarrant, Anne Wildeman and Samantha Williams. | |

Resolution: Apologies were received and noted from James Tarrant, Anne Wildeman and Samantha Williams

3. B11.22/23 - Declarations of interest

3.1 The DDofG&CS asked members to note two declarations of interest from:

Chris Sutton - B15.22/23 - Governance – board chair and member recruitment.

Robiu Salisu – B15.22/23 – Governance board and chair member recruitment – unable to vote as a co-optee member of the board.

Resolutions: The board noted the two declaration of interests for Chris Sutton and Robiu for B15.22/23.

4. B12.22/23 – Digital approvals

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

1. **The board approved the minutes of the previous board meeting on 25 May 2022**
2. **The board noted the 3 in progress and 1 completed matters arising**
3. **The board noted the draft minutes of 16 June 2022 RC meeting**
4. **The board noted the draft minutes of 6 July 2022 ARC meeting**
5. **The board noted three chairs actions since the 25 May board meeting**
6. **The board noted the use of the company seal nine times for numbers 05-13 since the 25 May 2022 board meeting**
7. **B12-5.22/23 - Acquisition & Contract Approval – Phase 3 New Haus, Usk Way, Newport - the board ratified, under written procedure on 18 July 2022, the selected option in respect of tenure and mix to be confirmed prior to the commencement of the building contract**
8. **B12-5.22/23 - Acquisition & Contract Approval – the board ratified, under written procedure on 18 July 2022, delegation to the CEO/executive directors and the company secretary for the signing and sealing of all documents associated with this transaction**
9. **The board noted the annual ARC report**
10. **The board note the annual ARC assurance report**
11. **The board noted the internal audit report**

12. The board approved the asset and liabilities register
13. The board noted the H&S annual assurance report
14. The board noted the Scrutiny Partnership residents at the heart report
15. The board approved the ARC ToRs review and recommendations
16. The board approved the replacement of Remuneration Committee (RC) with a new Colleague & Culture Committee (CCC) and its associated ToRs
17. The board noted the annual RC report
18. The board approved the modern slavery and human trafficking statement for year ended 31 March 2022
19. The board noted the annual safeguarding review.

4.2 The board chair drew members' attention to the changes to regulatory compliance reporting, following her meeting with the Welsh Government (WG) regulation manager, supported by the EDofOps and DDofG, where discussion took place on the additional information required by WG in relation to open fire risk actions.

4.3 The EDofOps further explained that, whilst outstanding fire risk assessments were normal, and the association's fire assessments and gas certification checks were RAG rated and completed within a set time frame, both the association and other registered social landlords (RSLs) could be perceived as being non-compliant due to the way in which WG had asked for the data to be presented in the return. Concerns were raised with the regulation manager on the data being requested in this specific way which had potential to cause undue alarm to NCH customers and stakeholders. WG had confirmed it was content for RSLs to provide additional commentary for clarity when submitting the data, which would be considered by the regulatory team when reviewing the data and writing a sector report on statistics received.

4.4 Members discussed the possible impact upon customers and risk of causing undue concern, along with the association's duty of care amongst other external factors eg cost of living crisis, rent increases and recent benefit changes. The CEO confirmed the issue had been raised as a concern directly with relevant departments in WG and the request that the Minister be briefed on the potential consequences, Community Housing Cymru (CHC) had also raised the issue on behalf of the sector.

4.5 A member asked whether there were actions the association could take, in terms of communications, to put customer's minds at ease. The CEO confirmed that assurance would be provided to NCH

customers prior to any WG communication and any potential risks proportionately assessed.

- 4.6 Members discussed the need to ensure the association was not perceived as non-transparent or contradicting the overall aim of what WG was trying to achieve, but rather providing clarity to customers that the association was compliant and all risk assessments were RAG rated and carried out accordingly, within a timely manner.
- 4.7 The EDofF&R added that, terms of reference were currently being reviewed for the independent health and safety committee (H&SC) which was chaired by the EDofD, compliance was reported to board quarterly through integrated reporting and compliance was reported as part of the quarterly reporting process to the audit and risk committee (ARC).
- 4.8 There were no further questions and members noted all digital approvals.

5. B13.22/23 – Code of governance –adoption – Voting completed

Resolution: the board noted the review undertaken and the appropriate improvement actions identified; and adopted the new CHC Code of Governance.

6. B14.22/23 – AGM notice & arrangements – Voting completed – Option 1a

- 6.1 The board chair highlighted, and members agreed, the proposed new date for the annual general meeting (AGM) from Wednesday 14 September to Wednesday 28 September.

Resolutions:

- 1. The board approved Option 1a – holding a hybrid AGM on 28 September 2022**
- 2. The board noted arrangements for the 2022 AGM would remain the same other than the change of date**
- 3. The board noted the AGM draft notice at appendix 1 and AGM voting/proxy form at appendix 2 and the financial statement would be updated to reflect the change of date to 28 September 2022**
- 4. The board noted that any minor amendments required to the notice can be approved by the chair of the board and the company secretary to ensure compliance with the notice period being met**
- 5. The board noted there would be no change to the Scrutiny Partnership’s (SP) Residents at the heart report**

The board chair asked observers to leave the room at 17:58 for confidential discussion.

7. B15.22/23 Governance – board chair and member recruitment

7.1 The DDofG&CS referred to the report and asked members for any questions or feedback.

7.2 The board chair thanked the three board members involved in the recruitment process, noting that the calibre of applicants had been of a very high standard and the decision making process had not been an easy one. The board chair continued that the panel had been genuinely overwhelmed by the quality of applicants with a high standard of skills and background experience. A panel member added that those recommended possessed a wide range of local and specialised talents.

7.3 In response to a member comment regarding transparency around equality, diversity and inclusion (EDI) and its impact upon the board recruitment process, the DDofG&CS responded that personal data would be collected from members once board approval was in place and this, together with data held for existing members would form an element of the board report on governance effectiveness, succession and skills as well as the annual diversity submission to WG.

7.4 The CEO and EDofF&R added that the EDI commitment annual report would be presented to board in September, which would include an element on representation and insight into the board composition. The EDofF&R continued that, from a broader Environmental, Social and Governance (ESG) perspective, the association's lenders were interested in the diversity of the board and leadership team.

7.5 A member queried whether recruiting a large quantity of members at one time could have an impact upon succession planning, to which the CEO responded and assured members that no issues in relation to succession planning had been identified for the current or following year.

Christian Cadwallader arrived at 18:05

7.6 A member congratulated all those involved with the selection process and asked whether the panel was content that any skills gaps previously identified had now been filled and when the current skills matrix would be refreshed. The DDofG&CS confirmed that the recommended members had a wide range of skills which would be further highlighted upon completion of their individual skills assessment which would inform the board skills matrix, implementation of committee skills matrices and succession planning report to board.

- 7.7 A member asked for clarity regarding the number of members in each committee under the proposed interim structure. The DDofG&CS confirmed that the interim structure was to provide the incoming chair with an opportunity to observe meetings and meet committee chairs, before making their recommendations to the board on future membership.
- 7.8 The DDofG&CS highlighted that whilst the recommendations took board membership up to 11, the board still had the option to recruit up to 12 members and would still hold a vacancy which could be filled with co-option or by recruiting another member following the board's consideration of its skills matrix later in the year.
- 7.9 Members discussed the importance of looking to the future when recruiting and not only retaining the skills needed in the present day, but also those which could be required in the future, and the value of sourcing members with both local knowledge and a strong connection and passion for Newport.
- 7.10 Members approved the recommendation to appoint the named individuals and the board chair asked members, who were content for Chris Sutton to remain in the meeting whilst discussing his re-appointment, which was also approved.

Observers returned to the meeting at 18:13.

- 7.11 The board chair thanked the observers for their patience and confirmed that, subject to noting at the AGM, their appointment had been approved by the board.
- 7.12 The board chair concluded by running through the proposed, interim committee structure, adding that incoming chair, Lynda Sagona, would review membership in six months' time to allow for sufficient observation and discussion with committee chairs to take place. **Incoming Chair**

Resolutions:

- 1. The board approved the appointment of Lynda Sagona as board chair from 28 September 2022 AGM**
- 2. The board approved the appointment of the following board members, from 28 September 2022 for a term of three years:**
 - a. Dr Jenifer Baxter**
 - b. Dale Walker**
 - c. Andrew Gregory**
 - d. Sarah Ann Croft**
- 3. The board approved the proposed interim board/committee structure.**

4. The board approved the re-appointment of Chris Sutton for a second three-year term.
 5. The board noted the following members retiring from the board at the 28 September 2022 AGM:
 - a. Nicola Somerville
 - b. Robiu Salisu
 - c. Anne Wildeman
 - d. Samantha Williams
 6. The board noted that, subject to approval, all board member appointments and the re-appointment would be noted by share members at the AGM.
 7. The board noted that, subject to approval, board membership would consist of 11 board members, with one vacancy retained.
8. **B16.22/23 Interim regulatory standards compliance review & draft self-evaluation**
- 8.1 The S&BIM referred members to the report, and confirmed that the self-evaluation confirmed compliance against each of the regulatory standards, based upon the detailed compliance review which had been made available to members in Convene. The S&BIM added that, due to the early timing of the report, there would be sufficient time between then and the submission date, to update the self-evaluation, not only to comply with expectations but with additional supporting evidence, if required.
 - 8.2 The board chair commented that producing the report early in the WG judgement cycle provided a great opportunity and time to reflect on any additional information that could be provided. The board chair continued that in their recent meeting, the regulator had emphasised the need to reference culture, the engagement of, and communication with, customers and how the association reflected the communities it served.
 - 8.3 In response to a member query, the DDofG&CS confirmed that the association was expecting to participate in its regulatory judgement between September and December 2022 and that an early review by members reflected the association's business cycle and provided the opportunity to identify and highlight any additional evidence. The S&BIM added that the association believed it had demonstrated all required elements in relation to the self-evaluation, and there could always be additional information added to ensure WG satisfaction.
 - 8.4 A member commented that the self-evaluation was an honest reflection and a reminder of the association's hard work and achievements. The CEO agreed that the report provided a breadth of detail and encouraged incoming members to read and get in touch for any further information.

- 8.5 The DDofG&CS stated that new members would be receiving additional reading material following the board meeting, including the board member handbook.
- 8.6 The EDofF&R reminded members that progress updates against the identified improvement actions would be reported to ARC quarterly. A member stated the review read well and, referring to the regulatory standards review, commented that whilst RS4 had been backed up with weighted data, less had been provided against RS3, improvement in customer satisfaction, a core element of strategy 2025, which the DDofG&CS and S&BIM agreed to look into. **S&BIM/ DDofG&CS**
- 8.7 Following a query raised by a member in relation to culture and the role of the CCC, the CEO highlighted that discussion had taken place with the board chair and, subject to the CCC chair's agreement, the CCC could explore the tools made available to managers, requesting assurance on values and culture over and above the standard colleague satisfaction updates. Further it was intended that the new board member induction (and reinduction for existing members that wished to participate) would be values base. The CCC chair commented that he thought it was a great idea and an obvious way forward.
- 8.8 The chair observed that the report and the way it was presented was very good and set the scene for the incoming chair and new members, although questioned whether it reflected the pain points experienced in getting to this point and decisions made eg affordable rent, impacts on business plan and prioritising value for money exercises.
- 8.9 There being no further questions or comments, members approved the reports and recommendations.

Resolutions:

1. **The board noted the review undertaken by the LT**
 2. **The board agreed that the assessment compliance against the regulatory standards was correct and that appropriate improvement actions had been identified**
 3. **The board approved the self-evaluation report.**
- 9. B17.22/23 Financial statements and letter of representation**
- 9.1 The EDofF&R referred members to the report, which had been scrutinised by the ARC at its last meeting, at which the external auditors presented, and ARC had a closed session with internal and external auditors. The ARC meeting had identified minor amendments that had

been corrected. Members noted that the AGM date would be updated to reflect the change of date ahead of publishing.

9.2

The EDofF&R referenced the four annual reports that provided assurance to board, ARC and customers. Members noted the clean audit reported by Bevan Buckland with a [REDACTED] adjustment required for additional cost accruals from that which the board approved through the May management accounts.

9.3

The board chair received, and read aloud, feedback from a member who had provided their apologies, stating his support and approval for both the financial statements and letter of representation.

9.4

A member highlighted the 'providing new homes' element of NCH Strategy 2025 and queried whether, for transparency purposes, the association should be more explicit in specifying that progress was not delivered due to complications such as the Covid-19 pandemic.

9.5

The CEO responded that a clear narrative had been discussed by the EDofD and other colleagues, as to why progress was not completed last year. The EDofF&R added that clear value for money had been demonstrated in the statement and progress had been made against the five year strategy.

9.6

There being no further questions or feedback, members approved the report and resolutions.

Resolutions:

- 1. The board approved the annual report & financial statements for the year ended 31 March 2022, and authorised the board chair and company secretary to sign on behalf of the association.**
- 2. The board noted the external audit findings report and approved the management response to the internal control recommendation detailed in section 4.2**
- 3. The board approved the letter of representation, and authorised the board chair and company secretary to sign on behalf of the association.**

10. B18.22/23 - Any other business

10.1

The board chair thanked Robiu Salisu, who would be retiring at the September AGM, for his commitment to NCH and valuable contributions to both the board and RC and wished him luck for the future. The board chair also expressed thanks to co-optees, Samantha Williams and Anne Wildeman, who would also be retiring at the AGM.

10.2

The chair concluded by thanking board members and the executive team, both past and present, for their support over her nine year term

at the association, adding that NCH had seen some incredible and significant changes over that period of time.

10.3 The CEO thanked the chair for her unwavering commitment to the association during the past nine years and the many accomplishments achieved during her time at NCH, and wished her the best of luck for the future.

10.4 **There being no any other business, the meeting closed at 18:42**

Date of next meeting - 28 September 2022