



Agenda Item No B85.17/18

Board Meeting Minutes - Tuesday 12 September 2017 at 1630, Nexus House, Newport

Present:

Members:

Nicola Somerville	Interim Chair
Peter Gillon	
Suzanne Porretta	
Eddie Groves	
John Harrhy	
Val Delahaye	
Jayne Rose	Vice Chair of Audit & Risk Committee
Cecelia Beal	
Tracy Holyoake	

In Attendance:

Ceri Doyle	Chief Executive
Tim Jackson	Executive Director of Finance & Resource (EDofF&R)
Rob Lynbeck	Executive Director of Operations (EDofOps)
Stephanie Bradley	Head of Finance & Procurement (HdofF&P)
Donna Pope	Finance Business Partner (FBP)
Claire Barley	Head of Strategy & Organisation Development (HdofS&OD)
Rachel George	Head of Development & Regeneration (HdofD&R)
Sharon Wilkins	Head of Housing Services (HdofH&CS)
Andrew Sheen	Interim Head of Finance (IHdofF)
Sharon Morden	Business Transformation Manager (BTM)
Chris John	Business Improvement Manager (BIM)
Emma Pearson	Health & Safety Business Partner (HSBP)
Joanna Fairley	Governance Manager (GM)
Gill Sherman	Senior Governance Officer (Minute Clerk)

Observers:

Alison Watkins	Governance Assistant (GA)
Laura Nash	People and Change Business Partner (P&C BP)
Simon Andrews	Head of Maintenance (HdofM)

Board Academy:

Margaret Roberts	Janice Morgan
Mark Harris	John Hill
Deb Loosemore	Keith Wood

AGENDA ITEM

ACTION

1. **Welcome to Board Members, Guests and Observers**
- 1.1 The Interim Chair opened the meeting at 16:37 and welcomed members of the Board Academy, the new Head of Maintenance, Simon Andrews, and People & Change Business Partner, Laura Nash as observers.
2. **B57.17/18 – Apologies for absence**
- 2.1 Apologies were received and noted from Chris England and, Jane Mudd.
3. **B58.17/18 – Declarations of interest**
- 3.1 The Interim Chair advised Members that due to the number of items on the agenda for noting, the Governance Manager had been asked to consider alternative approaches which could be adopted to deal with agenda items for information. **GM**
4. **B59.17/18 - Minutes of the meeting held on 18 July 2017**
- 4.1 The minutes of the previous meeting were agreed and signed as a true record.

Resolution: The Board approved the minutes of the 18 July 2017 meeting as a true record.

5. **B60.17/18 – Matters Arising 18 July 2017**
- 5.1 Members noted that all matters were complete.

Resolution: The Board noted the completed matters arising.

6. **B61.17/18 – Interim Chair's Report**
- 6.1 The Interim Chair stated that other than the AGM planned for later in September, this would be the last Board Meeting for some Members. She went on to thank Members for their commitment, hard work over the years and the contributions they had made. Members noted that the Governance team would be in contact to arrange a recognition event later in the year. **Gov team**
- 6.2 The Interim Chair continued by thanking John Harrhy for covering Chair's Actions and written procedures during the holiday period and went on to thank Members for attending the 5 September 2017 Special Board Meeting, the draft minutes of which would be issued later that day. **Gov team**

- 6.3 The Interim Chair reported on the regulatory matter which had been escalated to her and the CEO in respect of resident satisfaction data. Members noted this matter was covered in Appendix 2 of B76.17/18.
- 6.4 The Interim Chair continued with the details of a number of awards and events taking place in the following months and that the Governance team would arrange attendance to ensure the Association was appropriately represented. **Gov team**
- 6.5 The Interim Chair concluded by congratulating Cissie Beale for being nominated for the "Inspirational Volunteer" award at the upcoming GAVO awards.
- 7. B61.17/18 – CEO's Overview Strategic**
- 7.1 The CEO asked Members for their views on a recommendation that could be made to the post AGM Board to extend the term of the Interim Chair until the March 2018 Board meeting.
- 7.2 Members noted this approach would allow the post AGM Board the opportunity to get to know each other, undertake inductions and benefit from consistency in Board leadership which would support the Board's transition.
- 7.3 Members discussed the proposal and agreed that the Interim Chair was best placed to take forward the post AGM Board and fully supported an extension until March 2018.
- 7.4 The CEO thanked Members and confirmed this matter would be raised with the post AGM Board accordingly. **CEO GM**
- 7.5 The CEO reported on concerns raised in the community regarding Bron Afon's purchase of the Bettws Church site, which impacts on the Association's development and regeneration proposals for the area. A meeting had taken place with the CEO of Bron Afon who had offered to sell the site, at the price paid by Bron Afon.
- 7.6 The CEO continued that after a detailed review, officers had been unable to demonstrate a positive return on the purchase price paid by Bron Afon, even with grant assistance that Bron Afon were not eligible for. The CEO concluded that she had asked Bron Afon to keep NCH appraised of their proposals, and that further to complaints of fly tipping Bron Afon had now tidied the site.

- 7.7 Members discussed the use of Housing Association (HA) funds in a way that could be perceived to artificially inflate property values and whether this was in the best interests of residents or the sector. The CEO responded she was unable to comment on other HA's processes, but reminded Members that NCH had a robust Development & Regeneration Governance Framework which assessed risk and Value for Money (VfM) . The CEO continued that the WG had responded to a letter from the Association which raised a number of broader policy matters, and whilst not commenting specifically on this case, were clear that funding from WG should not be utilised to inflate market prices.

Operational

- 7.8 The CEO reminded Members of a resident complaint received earlier in the year which was initially investigated by the Deputy Company Secretary (DCS) and subsequently by the Executive Director of Operations (EDofOps) who had identified a number of administration errors which resulted in a small compensatory payment being made and the matter was now closed.

Media Update

- 7.19 The CEO reported on media coverage relating to the Tower Blocks and Ringland Regeneration.
- 7.10 The CEO continued that NCH's social media had reached 24,000 users and had raised awareness of a number of activities carried out across the city eg the recent Fit and Fed event.
- 7.11 The CEO concluded with the sponsorship of an award, "Togetherness Award" at Llanwern High School working with young people to assist in preparing them for the world of work.

Resolution: The Board supported the proposal to extend the Interim Chair arrangements until March 2018, noting that the CEO would advise the post AGM board of the current Board's views.

8. B62.17/18 – Revised Business Plan 2017/47

- 8.1 The Executive Director of Finance & Resources (EDofF&R) reported on the outcome of discussions with lenders on the approved Business Plan. The EDofF&R continued that, whilst two of three lenders had been content to approve the plan, one was unable to approve the inclusion of development of 400 units in years 6-10 due to the restrictive nature of the current loans covenants.



- 8.2 The EDofF&R referred Members to paragraph 2.3, which set the views of the lender out in detail and stressed that the lender was very supportive of the longer term direction in which the Association was travelling. The EDofF&R continued at bullet two of paragraph 2.3 that the lender had accepted that the current covenant approach was not best suited to a developing Association and would prefer in due course to move to "standard" covenants. The EDofF&R had proposed that the business plan, for approval in February 2018 would be set out in EBITDA format, and the lender had agreed that, based on this, it would support re-inclusion of the 400 development units in the plan.
- 8.3 The EDofF&R referred Members to next steps which would require negotiations with the lenders regarding re-financing and the possible creation of a new Task and Finish Group, Members were requested to approve the revised Business Plan at Appendix 1 and note the process for approval in 2018 together with the opportunity to re-structure future loan arrangements.
- 8.4 Members recognised the opportunity that the lender's feedback gave the Association and the timeliness of a review of existing loan arrangements.
- 8.5 Members had no further questions and were content to approve the revised Business Plan and note proposals regarding the draft 2018 Business Plan.

Resolutions:

- 1. The Board approved the revised Business Plan.**
- 2. The Board noted the process for the approval of the 2018 Business Plan and the opportunity it presented for re-structuring the loan arrangements.**

9. B63.17/18 – Qtr 1 Management Accounts

- 9.1 The Finance Business Partner (FBP) reported on the Management Accounts for the period 1 April - 30 June 2017 which had Income and Expenditure surplus of £0.4m compared to the budgeted Income and Expenditure account deficit of £1.4m and was forecast as being compliant at year end.
- 9.2 The FBP referred Members to the Income Analysis and the strategic void loss at paragraph 4.3 which showed an increase due to voids in Somerton, Pill, Fields Road and Longmeadow Court. The FBP continued that these figures were expected to fall over the coming months and asked for questions. The EDofOps responded to a question as to why voids had increased and recognised that performance needed to improve. The EDofOps continued that

compared to 148 voids last year, voids had been reduced to 60 routine voids at this point in time. The EDofOps reported that, following the restructure, a Voids Team Leader had been appointed and work was in hand to identify improvements which could be taken forward.

- 9.3 Members referred to previous voids targets of 18 days and the EDofOps responded that the increase was due to a number of elements, ie refusal of properties by prospective new tenants which was having a significant impact.
- 9.4 A Member queried over what period of time the losses would be recovered and the FBP advised she anticipated Q2 to report on a stronger position for strategic void loss. Members noted that a service review of the Lettings function was underway which was anticipated to have a positive impact on turnaround time.
- 9.5 The Interim Chair concluded discussions by acknowledging that voids had been a topic of conversation for a period of time and, with the recruitment of a Voids Team Leader and the wider review, looked forward to seeing positive progress in performance.
- 9.6 The FBP referred Members to Expenditure Analysis paragraphs 5.1-5.4 which showed a number of underspend exceptions reported, due in the main to a one off rebate of £162,877 and a £90,000 underspend on void council tax.
- 9.7 The FBP referred Members to paragraph 7 which gave the analysis of the three areas for major repairs and passed to the EDofOps to report on reactive maintenance.
- 9.8 The EDofOps continued that the void maintenance was lower than budget due to an underspend on strategic voids as a result of a significant amount of work waiting to commence. The EDofOps referred Members to the cyclical maintenance which was higher than budget and due to the painting programme undertaken in the summer, which was now ahead of schedule.
- 9.9 The EDofOps responded to a query in respect of the electrical testing underspend which was due to the procurement of smoke detectors and alarms, the fitting of which had been bought "in-house" and was being undertaken when replacement was found necessary and at the same time as the gas safety testing.



- 9.10 The FBP referred Members to paragraph 6 which was provided for clarity and would change subject to re-investment and paragraph 7 which provided a breakdown of planned maintenance, re-modelling estates and new developments.
- 9.11 The EDofOps advised members that to date NCH had spent £5.6m on planned maintenance, with eight contracts on site, and full spend was being anticipated for the end of the financial year. There were some delays on regeneration with the Pill contract, which were being addressed. With regards to new development following the decision of Board at the Special meeting on the 5 September 2017, this was now fully committed.
- 9.12 The FBP concluded with the balance sheet as at 30 June 2017 showing an increase in fixed assets, stock and rent and a final total of £45.5m for cash at bank/in hand and asked for questions.
- 9.13 There being no further questions Members approved the Quarter 1 Management Accounts.

Resolution: The Board approved the Qtr 1 Management Accounts.

10. B64.17/18 – Qtr 1 Performance 2017/18

- 10.1 The Business Information Manager (BIM) reported on Quarter 1 Performance and advised the report format included supporting evidence and was aligned to self-evaluation. The BIM drew Members' attention to the five measures generated by the quarterly satisfaction survey: 1, 2, 6, 7 and 8.
- 10.2 The BIM continued that the survey was of 25% of residents each quarter, with 100% of residents being surveyed over a 12 month period. The BIM asked Members for questions and observations.
- 10.3 The Interim Chair asked whether there was a specific reason for the resident satisfaction score to have dropped by 7%. The BIM responded that the results were below the required performance level and work was on-going to fully understand the drivers of satisfaction and dissatisfaction.
- 10.4 The results showed that the reactive repairs service generated high levels of satisfaction when delivered well, but was an area of major dissatisfaction when not completed right first time.

- 10.5 The survey also showed that failure to respond to all service requests at the first point of contact led to dissatisfaction. The BIM stated that resident satisfaction was an existing corporate priority and that the Leadership team was reviewing the actions to improve performance in this area monthly.
- 10.6 The BIM continued that telephone answering response times had improved against last quarter, however it was important for Members to note that this was a perception survey and the Association required data over a longer period of time to make an informed judgement.
- 10.7 A Member expressed concern that the statistics implied that there was low satisfaction with residents in relation to NCH listening to their views and acting upon them, which suggested an element of mis-trust.
- 10.8 The EDofOps advised Members that the statistics reported may relate to historical perception and this should be used as a base point from which the Association could move forward positively, as it is a new data set that is being collated.
- 10.9 A Member that represented one of the Association's communities advised Members of her experience, in that those she represented were very positive about the work of the Association and that they did believe the Association had listened to their views when creating a vision for their community.
- 10.10 After further discussion, the CEO thanked Members for their comments and agreed that the perception survey was disappointing and that the Association needed to respond with a multi-faceted approach, and proposed that the Head of Housing and Customer Services (HdofH&CS) provide a short update to Members, recapping on corporate areas of activity that are likely to impact on these findings. **HdofH&CS**
- 10.11 The Interim Chair thanked Members for their discussions, recognised Member and officers' frustrations, and acknowledged the work undertaken and in hand.

Resolution: The Board noted Qtr 1 Performance 2017/18

11. B65.17/18 – Commercial Rent Arrears - Bad Debt Write Off

- 11.1 The Head of Finance & Procurement (HdofF&P) requested Members approve the write off of £36,058.61 of debt relating to commercial rent arrears.

- 11.2 The HdofF&P continued that this formed part of a financial administration exercise and where debt was deemed to be irrecoverable, and over £3k, Board approval was required.
- 11.3 The Interim Chair noted that 50% of the debt appeared to be on one item and the HdofF&P confirmed that the debt was outstanding from 2010 and related to bankruptcy.
- 11.4 The Governance Manager (GM) raised a question from the Board Academy as to whether the debt had been carried over from stock transfer. The Interim Head of Finance confirmed that was the case and the HdofH&CS confirmed that a more robust process was now in place.
- 11.5 Members were content to approve the commercial bad debt write off.

Resolution: The Board approved the commercial bad debt write off of £36,058.61.

12. B66.17/18 – Resident Engagement Strategy – verbal update

- 12.1 The HdofH&CS presented to Members on the incrementally evolved approach to resident engagement and the need to develop this into a strategy that aligned with:
- 2020 vision
 - WG regulatory performance standards and compliance with those that relate to resident engagement
 - NCH performance management and assurance framework

The HdofH&CS reported that, over the summer, residents and staff had been consulted on the current approach and their feedback had shaped the principles of a new Resident Engagement Strategy.

- 12.2 The HdofH&CS continued that by listening to residents it was proposed to re-define the overarching purpose of resident engagement:

“To know our residents and use what they tell us to shape services, homes and communities. “

The HdofH&CS continued with further proposals for change to align resident engagement at a strategic, corporate and operational level, with clearly defined levels of participation and an integrated approach across the broader customer experience offer.

- 12.3 The HdofH&CS presented to Members the four levels of participation diagram which showed the different levels of participation for residents, dependent upon the purpose:
- Inform –low level, one way flow of information.
 - Consult – actively seeking views, opinions and feedback before implementing an activity or services.
 - Engage - a participative approach where residents would be actively encouraged to participate in order to influence and shape policies and services going forward.
 - Co-production - highest level of participation putting in place joint and equal decision making on shaping and delivering solutions, activities and services.
- 12.4 Following examples of how the levels would be incorporated into strategic, corporate and operational decision making, the HdofH&CS highlighted that the Board had accountability for setting the strategic vision and this could not be devolved to residents, so using the four levels approach, the Association would inform and consult with residents to inform Board decision making in this area. Conversely, at an operational level, there was a real opportunity for residents to co-produce service improvement plans to drive forward operational improvements across the business.
- 12.5 The HdofH&CS concluded with next steps which sought:
- Board support for the proposals
 - Further resident engagement in October
 - Production of a draft strategy and implementation plan later in the year
 - The launch of the new strategy in December 2017
 - Regular progress report to Board through self-evaluation and the new regulatory performance standards.
- 12.6 The Interim Chair asked Board Academy Members for their comments and views on the presentation. The HdofH&CS responded to a query on the launch and the direction of travel, confirming an implementation plan would be produced with residents which would define the structure of engagement to serve a defined purpose and the avoidance of duplication.



- 12.7 The CEO responded to a query on what steps would be taken to engage with potentially hard to reach groups of residents, and used the example of information which can be gained from the current 320 staff and 200 contractors who make daily contact with residents. The CEO continued residents should not have to sit on a formal panel in order to have their voice heard but by making the relaying of feedback as part of the DNA of NCH staff, it would ensure that residents were at the heart of the business.
- 12.8 Board Members commented on the proposed changes, it being a more positive way of addressing issues and engaging residents. Members concluded they were keen to support the proposed changes but sought assurance that reliance would not be placed upon a single source of feedback, which the HdofH&CS confirmed would not be the case.
- 12.9 The Interim Chair thanked both Board and Academy Members for their questions and contributions and asked Members if they were content to receive the draft Resident Engagement Strategy in November.

Resolution: The Board noted, commented and supported the proposed changes to the new Resident Engagement Strategy 2017-2022.

13. B67.17/18 – Staff Survey Outcomes

- 13.1 The Head of Strategy and Organisation Development (HdofS&OD) reminded Members that an update on the outcomes of the Staff Survey, at Appendix 1, was provided to Members following the July Board.
- 13.2 The HdofS&OD referred Members to paragraph 3.1-3.2 which detailed the key actions already implemented and paragraph 3.3 which detailed key actions to be taken across the next six months of the inclusive and ongoing programme. The HdofS&OD asked Members for questions, and to note the contents of the report.

Resolution: The Board noted the outcomes and key actions both implemented and planned of the Staff Survey.

14. B68.17/18 – Business Transformation Programme Update

- 14.1 The Business Transformation Manager (BTM) referred Members to the positive progress reported and handed over to the EDofF&R to report on the Income and Cost review.
- 14.2 The EDofF&R reported that a number of income and cost review workshops had taken place and had received positive feedback from staff who had been encouraged to submit ideas to support the work stream. These and other initiatives were to be presented to the

Leadership team for consideration and the EDofF&R assured Members that initiatives arising from the income and cost review would not be taken forward if they would damage services or quality.

- 14.3 The Interim Chair thanked the BTM and asked Members if they were content to note the progress on the BTP work streams and a further update being provided at the November Board.

Resolution: The Board noted progress on the Business Transformation Programme

15. B69.17/18 – Annual Health & Safety Assurance

- 15.1 The Health & Safety Business Partner (H&S BP) presented the annual Health & Safety Assurance which was previously presented and approved by the Audit & Risk Committee (ARC) as part of the Health & Safety framework and asked Members to note the key activities and the graphs at Appendix 1.

Post Meeting Note:

Gov team

- 1. The graphs presented at Appendix 1 were incorrect due to a system error within the Digital Board Packs which is currently under investigation with the software manufacturers.**
- 2. A correct copy of Appendix 1 will be attached to the draft Minutes and sent to Board Members for clarity.**

- 15.2 Members queried the type of violence at work and the H&S BP confirmed that these all took the form of verbal abuse, confirming there had been no recorded incidents of physical assault on employees. Members requested that next year's report provide a separate breakdown of incidents of violence, whether physical or non-physical. The H&S BP confirmed the team were working with a new reporting system which would enable greater definition of categories of data. **H&S BP**
- 15.3 The H&S BP confirmed following a question that all current data was for employees and would investigate the ability to include relevant resident information relating to incidents and accidents for next year's report. **H&S BP**

Resolution: The Board noted the Health & Safety Annual Assurance

16. B70.17/18 – Treasury and Financial Management update

- 16.1 The HdofF&P reported on three items that required Board approval. The first was to request approval from Board to open two new deposit accounts with Nationwide and Handelsbanken in compliance with the Board approved, Treasury Management Policy. The HdofF&P referred

Members to paragraph 2.3 which detailed the Association's current investments.

- 16.2 To support the cleansing of existing accounts, the HdofF&P continued by requesting Members to approve proposed changes to the bank mandate signatories, from currently using individual names to the use of job/position roles. Members noted that the use of named individuals was a very unusual practice and there would be no impact upon current practices and segregation of duties.
- 16.3 The HdofF&P concluded by requesting Members approve the addition of two new job roles, the DCS and FBP, as permanent bank mandate signatories for greater business flexibility.
- 16.4 Members were content with the recommendations made and following a request to consider the addition of an additional Board Member, agreed to add the post of Remuneration Committee Chair.

Resolutions:

1. The Board approved the opening of two new deposit accounts.
 2. The Board approved the change to authorised roles to manage ongoing bank account arrangements as approved bank signatories.
 3. The Board approved the addition of three new job roles as signatories on bank mandates.
 4. The Board noted the existing segregation of duties would be maintained.
17. **B71.17/18 – Any Other Non-Confidential Business**
- 17.1 The Interim Chair asked Members for any other non-confidential business and invited a Board Member to say a few words as this would be her last Board meeting.
- 17.2 Following the presentation to fellow Members, the Interim Chair thanked the Member for her kind sentiments and went on to thank officers, observers and guests for attending the non-confidential element of the meeting.

The Non Confidential Board finished at 18:25

Observers and Guests left prior to the Confidential Board Meeting

The following officers left prior to the Confidential Board Meeting:

HdofH&CS, BTM, BIM, H&S BP and FBP

