



**Agenda Item No B59.17/18  
Board Meeting Minutes**

Board Meeting – Tuesday 18 July 2017 at 1630, Nexus House, Newport

**Present:**

**Members:**

Nicola Somerville	Interim Chair
Jane Mudd	
Chris England	Chair of Audit & Risk Committee
Peter Gillon	
Iain Logue	
Suzanne Porretta	
Eddie Groves	
John HARRY	
Val Delahaye	
Jayne Rose	Vice Chair of Audit & Risk Committee
Cecelia Beal	
Tracey Holyoake	

**In Attendance:**

Ceri Doyle	Chief Executive
Tim Jackson	Executive Director of Finance & Resource (EDofF&R)
Rob Lynbeck	Executive Director of Operations (EDofOps)
Claire Barley	Head of Strategy & Organisation Development (HdofS&OD)
Rachel George	Head of Development & Regeneration (HdofD&R)
Sharon Wilkins	Head of Customer Service & Housing (HdofCS&H)
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 (H&SBP)
Mal Doyle	Interim Head of Maintenance (IHdofM)
Joanna Fairley	Governance Manager (GM)
Gill Sherman	Governance Officer (Minute Clerk)

**Guests:**

Tania Cregg	Haines Watts Wales LLP – External Auditors
Rose Klemperer	Anthony Collins Solicitors
Sharon Thandi	Anthony Collins Solicitors Observer

**Observers:**

Kris Ablett	Customer Experience Manager
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**Board Academy:**

Janice Morgan	Board Academy observer
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Margaret Roberts Board Academy observer  
Neil Upham Board Academy observer

## AGENDA ITEM

## ACTION

### 1. Welcome to Board Members, Guests and Observers

1.1 The CEO reported to Members that as a consequence of the May 2017 Elections a number of changes had been made to the Board Membership.

- Sally Mlewa had been replaced by Tracey Holyoake as a Council nominee.
- Jane Mudd, previous Board Chair had stood down as Chair due to her appointment as Cabinet Member for Regeneration & Housing.
- Written approval had been sought and obtained from Members for Nicola Somerville (former Vice Chair) to take up the position of Interim Chair until the 7 November Board at which time Members would have the opportunity to vote for Chair or determine an extension of the interim arrangements.
- As a consequence, Nicola Somerville would be unable to continue as Remuneration Committee (RC) Chair, and would contact RC Members regarding the appointment of an interim RC Chair to ensure any outstanding matters can be completed.

**Interim  
Chair**

1.2 The CEO concluded by requesting Members formally approve the Interim Chair appointment of Nicola Somerville until 7 November 2017 Board Meeting. Members approved the appointment and the CEO handed over to the Interim Chair.

1.3 The Interim Chair opened the meeting at 16:32 and welcomed Tania Cregg, Haines Watts Wales LLP, and observers and to note Jane Mudd would arrive later.

**Resolution: The Board approved the appointment of Interim Chair for Nicola Somerville until 7 November 2017 meeting.**

### 2. B27.17/18 – Apologies for absence

2.1 None were received.

### 3. B28.17/18 – Declarations of interest

3.1 The Interim Chair reported that all Members had an interest in Agenda item B46.17/18, Governance Transition, but was not a disqualifying matter.



**4. B29.17/18 - Minutes of the meeting held on 9 May 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 9 May 2017 meeting as a true record.**

**5. B30.17/18 – Matters Arising 9 May 2017**

- 5.1 The Interim Chair referred Members to Matters Arising noting that all but two items, which would be reported in September 2017 were complete.

**6. B31.17/18 – Minutes of the Audit & Risk Committee held on 27 June 2017**

- 6.1 The ARC Chair requested Members note the draft ARC non confidential minutes of the meeting held on 27 June 2017 and stated there were a number of recommendations which would be reported at B35.17/18 under the ARC Annual Review.
- 6.2 The ARC Chair advised Members that the Committee had met the Internal and External Auditors without officers present, in line with its Terms of Reference, and asked Members to note that the Regulation Manager did not leave this part of the meeting.
- 6.3 The ARC Chair concluded by referring Members to the recommended 2018 Risk Framework, the ongoing quarterly deep dive of three strategic risks and to note that further work with the Business Improvement Manager (BIM) on the re-grading of risks, eg increase/decrease risk scores had been undertaken. The ARC Chair invited questions from Members, none were presented.

**Jane Mudd arrived at 16:38**

**Resolution: The Board noted the draft Audit & Risk Committee (ARC) non confidential minutes of the meeting held on 27 June 2017.**

**7. B32.17/18 – Share Membership**

- 7.1 The Governance Manager (GM) reported there were no new share membership applications since the May 2017 Board and referred Members to the total live share membership of 1,460 with a total of 872 shares cancelled.

**Resolution: The Board noted no new share membership applications had been received and the total live share membership.**



**8. B33.17/18 – Chair’s Report**

- 8.1 **BSPD – 16 June 2017** – The Interim Chair thanked Members for attending and confirmed that an Executive Summary would be forwarded to Members shortly. **EDofF&R  
GO**
- 8.2 **CHC Leadership Conference – 22-23 June 2017** – The Interim Chair reported that she had attended on behalf of the Board, the Conference dinner on 22 June 2017 and the conference the following day which had a variety of speakers covering culture change, leadership and operating organisations.
- 8.3 **Official opening of new community hub in Pill – 6 July 2017** – The Interim Chair informed Members that she and Jayne Rose attended the event which marked the official handover of the site from NCH to contractors, United Living. A variety of stakeholders, partner organisations, contractors, residents and Cabinet Secretary, Carl Sargeant attended the event which resulted in 35 Pill residents registering their interest in apprenticeship opportunities connected with the regeneration programme.
- 8.4 **Regulatory matter escalated to Chair and CEO** – The Interim Chair reported that the Regulation Manager had escalated to her and the CEO a matter concerning a regulatory return on tenant satisfaction. Members noted a response had been sent to WG, the WG Regulation Manager (RM) and his manager. A response had not been received to date and the Executive Director of Finance & Resources (EDofF&R) and the GM were scheduled to meet with the WG RM on Thursday 20 July 2017 to explore his comments and work together in a co-regulatory manner.
- 8.5 The Interim Chair asked the Board Academy observers for their experience at the TPAS Pulse event held earlier in the day.
- 8.6 Janice Morgan responded that the event was extremely good, well presented and easy to understand. Janice Morgan continued that in response to the tenant satisfaction survey, NCH residents had raised their concerns at the lack of consultation with residents prior to requesting extra questions be added to an existing questionnaire that residents had informed. She concluded that the point of being consulted rather than told had been firmly made.
- 8.7 **Performance Standards Presentation** – The Interim Chair thanked those Members who were able to attend last week’s presentation by the Senior Regulation Manager which was both very informative and enlightening on the Regulator’s approach. The Interim Chair asked



Members for any feedback. A Member noted that the session exposed the different styles adopted by Regulation Managers, and that much had been learned from the presentation and approach. The Interim Chair responded that Maria Round had been thanked for her attendance.

**9. B33.17/18 - Chief Executive's Overview**

9.1 **Minister Visit – 17 May 2017** – The CEO reported that in addition to the launch on 6 July 2017 referred to by the Interim Chair, the Cabinet Secretary with the former Chair, Police and Crime Commissioner, and Regeneration Co-ordinator conducted an evening visit to Pill. JM informed Members that it was both a challenging and positive experience for the Cabinet Secretary and he was able to see the everyday experience of residents.

9.2 **Progress of Welsh Government's (WG) plans for reclassification**

The CEO informed Members that consultation had closed and the Association had submitted its response directly to the WG and CHC for information. The First Minister confirmed the future legislative programme, which would include Regulatory Reform of Registered Social Landlords Bill which would make the necessary amendments needed to legislation to enable ONS to reconsider the classification of housing associations.

9.3 **Staff Survey** – The CEO reported to Members on the March 2017 staff survey. The CEO continued that the response rate was 88% with 265 people responding and evidenced detailed improvements from the previous staff survey, along with areas for improvement.

9.4 The CEO advised there were three broad areas of focus:

- Enhancing professional development and career opportunities
- Performance review and coaching
- To better understand how pay is determined.

The CEO concluded that an improvement plan had been developed which would be monitored by the Leadership team quarterly and a pulse survey was planned for March 2018. The CEO confirmed that Board would be kept updated on progress.

9.6 A Member queried the differences between trades and office staff and whether these differences had improved. The CEO responded that some differences still existed, but the Association was now able to isolate the trades and office staff responses and had been able to identify a number of areas for improvement. The CEO concluded



there had been a definite improvement, particularly with connectivity to the 2020 Vision but acknowledged it was a work in progress.

- 9.7 A Member asked when a formal report would be forthcoming. The Head of Strategy and Organisational Development (HdofS&OD) responded this would form an element of performance reporting to Board in September 2017. The CEO added that the HdofS&OD would provide Members with a one page summary of improvements, positive areas and identified areas where further work was required which would accompany the issue of draft minutes. **HdofS&OD  
GM**
- 9.8 A Member queried staff turnover and the HdofS&OD responded that this was stable and was monitored by the Leadership team.
- 9.9 **Complaint addressed to the Board** – The CEO updated Members on a complaint received individually by Board Members and which had now been escalated to the Executive Director of Operations (EDofOps). The response to the original complaint had been presented by the GM, with copies to all Board Members. The CEO confirmed that Members would continue to be updated on progress.
- 9.10 **Lenders/Business Plan** – The CEO reported that the EDofF&R continued negotiations with the three lenders, and an opportunity may arise to take forward some of the Association’s treasury management actions earlier than planned. It was anticipated that Business Plan approval would take place within the next two to three weeks and would be confirmed to Members via a written procedure. **IHdofF**
- 10. B34.17/18 – Financial Statements, External Audit, Management Letter and Letter of Representation 2016/17**
- 10.1 The Interim Head of Finance (IHdofF) presented to Members the audited Financial Statements and the Audit Letter for year ending 31 March 2017. Members noted these had also been presented and reviewed by ARC at its meeting in June 2017 and was recommended by ARC Members.

The ARC Chair commented that the Financial Statements were a commercially good set of accounts.

The IHdofF added that an extra section had been added to the Financial Statements covering Value for Money (VfM) and the Financial Statements had been audited by Haines Watts Wales LLP. The IHdofF handed over to Tania Cregg, who went on to present to Members.



- 10.2 Tania Cregg (TC), Haines Watts reported that this was the second Management Letter for year ending 31 March 2017, the previous being the Interim Management Letter presented at 9 May 2017 Board. She continued that the latest audit was complete, with no outstanding issues, resulting in a clean and unmodified account.
- 10.3 TC referred Members to the matters arising and the matter of the biomass boiler. Following confirmation of ownership, this had been treated correctly under the SORP in the Financial Statements.
- 10.4 TC referred Members to a bank reconciliation error relating to the balance sheet representation which had required secondary review. To avoid the error reoccurring in the future, an additional review process has been agreed with the finance team.
- 10.5 TC referred Members to the remainder of the Management Letter, the NOW pension issue which had already received a significant level of discussion. The finance team are aware of the issue and are actively working with NOW Pensions to resolve this.
- 10.6 TC concluded with the standard Letter of Representation which confirmed that all the information required had been made available to carry out the audit and was a standard letter issued to all of Haines Watts clients. TC asked Members for questions on either of the documents.
- 10.7 TC responded to a query raised relating to the NOW pension liabilities. Concern that no staff member should be adversely affected by issues relating to pension payments was noted.
- 10.8 A Member asked for clarity on the capitalisation of the biomass boiler as an asset. TC responded that the Association had spent approx. £400k on the boiler which was classed as a capital expenditure in the 2016 accounts. British Gas had also paid towards the boiler, work had been required to conclude that the boiler was an NCH asset. Members noted it was a requirement of SORP that as the boiler was NCH's asset, British Gas' expenditure on it was recorded as 'income/gift' in the accounts. TC confirmed that this was a unique set of circumstances which had not previously encountered.

A Member queried whether there was a link to depreciation and if so at what rate. TC advised it was and at £400k per year over ten years.



10.9 There being no further questions the Interim Chair asked Members to:

- Approve the Financial Statements for 2016/17
- Approve the Audit Letter and the Letter of Representation
- Note the summary of movements from the Management Accounts to the Financial Statements.

**Resolutions:**

1. **The Board approved and signed the Financial Statements for 2016/17.**
2. **The Board approved and signed the Audit Letter.**
3. **The Board approved and signed the Letter of Representation.**
4. **The Board noted the summary of movements from the Management Accounts to the Financial Statements.**

**Tania Cregg left at 17:25**

**11. B35.17/18 – Annual Audit & Risk Committee Report**

11.1 The ARC Chair presented to Board Members, the annual report for the financial year 2016/17 which gave assurance as to the internal controls within the Association. He also referred Members to Appendices 1-6 which were recommended to Board for approval following consideration by ARC at its meeting on 27 June 2017.

11.2 The ARC Chair thanked the Committee Members and officers for their support throughout the year and moved on to the recommendations for approval, informing Members that officers were available to take any questions.

11.3 **Appendix 1 – ARC Annual Report** - The ARC Chair stated the annual report covered the membership of the ARC, a summary of its meetings, a summary of the internal audit function and outcomes, an external audit service statement, compliance report, the ARC self-assessment and an update on other work undertaken by the ARC during the period. The ARC Chair continued that it had been a busy year but a successful one with the Committee beginning to develop and its achievements had been of value to the Board.

11.4 **Appendix 2 - Internal Auditor's Annual Report.** The ARC Chair referred Members to the ARC recommended report which provided an objective evaluation and opinion on the overall adequacy and effectiveness of the Association's framework of governance, risk management and internal controls for the 2016/17. Members were reminded that the ARC had held a meeting with Mazars without officers present and asked Members for questions.



- 11.5 **Appendix 3 - 2018 Risk Framework.** The ARC Chair referred Members to the Risk Management Framework which had been reviewed by the ARC and recommended to Board for review and approval, subject to amendments. No questions or points of clarity were received from Members.
- 11.6 **Appendix 4 - Assets & Liability Register** - The ARC Chair referred Members to the draft Assets and Liabilities Register (ALR) for approval. The electronic ALR contained live data on the Association's assets and used hyperlinks to drill down to the detail of any one asset.
- Members noted that the register had been the subject to an advisory internal audit and had received adequate assurance.
- There being no questions the ARC Chair moved to Appendix 5.
- 11.7 **Appendix 5 - Draft Health & Safety Policy** – The ARC Chair referred Members to the draft Health & Safety Policy, which had been updated in line with the Association's restructure. The Policy had been agreed by the Health and Safety Steering Group, was reviewed by the Leadership team and reviewed and recommended by ARC to Board for approval. There being no questions or queries the ARC Chair moved to Appendix 6.
- 11.8 **Appendix 6 - Review of Assurance** – The ARC Chair referred Members to the Review of Assurance which was a look back at the sources of assurance received by the ARC and the Board during 2016/17. The ARC Chair requested Members note the progress against the Assurance Framework at Appendix 6-6.1.
- 11.9 The Interim Chair thanked the ARC for its reports and asked Members to approve and note the recommended reports.

#### Resolutions:

1. The Board approved the Annual ARC Report for 2016/17.
2. The Board approved the Internal Auditor's Annual Report.
3. The Board approved the 2018 Risk Management Framework.
4. The Board approved the Assets and Liabilities Register.
5. The Board approved the Health & Safety Policy.
6. The Board noted the Assurance Framework – 2016/17.



**12. B36.17/18 - Governance – Self Evaluation**

- 12.1 The HdofS&OD referred Members to the revised NCH Self-Evaluation following feedback from Members at its 8 March 2017 meeting. The HdofS&OD explained that the self-evaluation was a live document which had been designed to be used digitally, and would also be made available via Bridge Brief, with interactive hyperlinks taking the user into greater detail against each of the topics.
- 12.2 The self-evaluation followed the progress against each of the 2020 aims using quantitative and qualitative data to evidence progress with a summary performance which identified areas to “achieve more” and assurance on activities planned.
- 12.3 The HdofS&OD referred Members to the “our rating” area which Board had previously approved and use of a RAG rating that aligned with the new Performance Proforma adopted by the Board.
- 12.4 The HdofS&OD concluded before questions that the self-evaluation would be regularly updated, linked to the Performance Pro-forma, approved by Board 7 May 2017, with key performance measures and supporting narrative evidence, tested by residents and staff and be accessible to all stakeholders. The self-evaluation would be reviewed by Board twice yearly and the Performance Pro-forma reported quarterly to Board.
- 12.5 Members noted how easy the self-evaluation was to understand and queried its circulation. The GM responded that it would be made available in reception by means of a dashboard version in order to maximise information and benefits. The Head of Housing & Customer Services (HdofH&CS) added that at the proposed resident engagement events during the summer, discussions would take place around the different methods of engagement to ensure it was friendly and accessible for everyone. The HdofH&CS continued that digital access was only one platform, a lot of the information was contained in Bridge Brief and the Community Relationship team would focus on sharing information and obtaining feedback which was critical to ensure communities could access information.
- 12.6 A Member highlighted the 91 apprenticeship successes and suggested this should be celebrated more widely. The CEO responded that the self-evaluation would form the corner stone of the Association’s PR & Communications strategy.

**Hdof  
S&OD**



- 12.7 The Interim Chair thanked everyone for their hard work, noted that the draft self-evaluation would be shared with the Regulator, would be published on the website and was a true reflection of putting residents at the heart. Members confirmed they were content for wider testing with staff, residents and partners and to receive bi-annual reviews.

**Resolutions:**

1. The Board approved the self-evaluation.
  2. The Board approved the publication on the Association's website of the self-evaluation.
  3. The Board approved wider testing of the self-evaluation with residents, staff and partners.
  4. The Board agreed to review the Self-evaluation in March 2018 and bi-annually thereafter.
13. **B37.17/18 – Any Other Non-Confidential Business**
- 13.1 The Interim Chair thanked officers, observers and guests for attending the non-confidential element of the meeting.

**The Non Confidential Board finished at 17:40**

**Observers and Guests leave prior to Confidential Board Meeting**