



Agenda Item No B25.18/19
Board Meeting Minutes

Board Meeting – Tuesday 08 May 2018 at 1730, Nexus House, Newport

Present:

Members:

Nicola Somerville	Interim Chair
Christopher England	ARC Chair
Jayne Rose	ARC Vice Chair
John Harrhy	
Alex Stephenson	
Kevin Ward	
Jane Mudd	RC Chair
Janice Morgan	RC Vice Chair
Helen Taylor	

In Attendance:

Ceri Doyle	Chief Executive (CEO)
Rob Lynbeck	Executive Director of Operations (EDofOps)
Stephanie Bradley	Head of Finance & Procurement (HdofF&P)
Claire Barley	Head of Strategy & Organisational Development (HdofS&OD)
Rachel George	Head of Development & Regeneration (HdofD&R)
Sharon Wilkins	Head of Housing & Customer Service (HdofH&CS)
Simon Andrews	Head of Maintenance (HdofM)
Sharon Morden	Business Transformation Manager (BTM)
Donna Pope	Finance Business Partner (FBP)
Chris John	Business Improvement & Performance Manager (BI&PM)
Joanna Fairley	Governance & Compliance Manager (G&CM)
Gill Sherman	Senior Governance Officer (Minute Clerk)

Observers:

Mairi McLean	Central Consultancy
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Board Academy

John Hill
Neil Upham
Keith Wood
Margaret Roberts
Mark Harris
Deborah Loosmore

AGENDA ITEM

ACTION

1. Welcome to Board Members, Guests and Observer

- 1.1 The Interim Chair opened the meeting at 17:32 and welcomed members, staff and Mairi McLean from Central Consultancy who would be observing the 8 May Board meeting and providing support to the Chair with the annual one to one process.

2. B05.18/19 – Apologies for absence

- 2.1 Apologies for absence had been received from Cathy Bryant and Tim Jackson. Members noted that the Interim Chair required to leave the meeting early and that Jane Mudd had agreed to Chair the remainder of the confidential meeting in her absence.

3. B06.18/19 - Declarations of Interest

- 3.1 The Interim Chair declared an interest in agenda item B07.18/19 – Election of Chair, which was a disqualifying matter and as a result would leave the room during discussion of that agenda item. No other declarations were received.

The Interim Board Chair left at 17:35

4. B07.18/19 – Election of Chair

- 4.1 The CEO introduced the item and passed to the Governance & Compliance Manager (G&CM) to present the report. Members noted that one expression of interest had been received from the current Interim Chair and Members were requested to consider this.
- 4.2 Following discussion, Members agreed to accept the expression of interest received from Nicola Somerville, for the appointment of Board Chair with immediate effect.

The Interim Board Chair returned at 17:36

- 4.3 The Interim Board Chair returned to the meeting and was congratulated by the CEO and Board on her appointment.
- 4.4 The Chair thanked Members for their support and confirmed that, following the forthcoming one to one process, she would consider the appointment of the Vice Chair and the roles of Chair and Vice Chair for the ARC and the Remuneration Committee (RC).

Resolutions:

1. The Board noted that the Chair appointment would be subject to annual review.
2. The Board approved the appointment of Nicola Somerville to Board Chair.



5. B08.18/19 – Minutes of the meeting held on 13 March 2018

- 5.1 The Chair noted feedback from one Member who expressed they did not agree with the wording of the minute for agenda item B133.17/18 – Business Transformation Programme update, paragraph 11.3 and that they felt it did not adequately reflect the discussion that had taken place.

The Member requested that it be noted that she had raised concerns about the use of a dedication plaque to recognise an individual and that this decision should have been presented to the Board for approval.

- 5.2 Subject to the feedback received from the Member, which was acknowledged, the minutes of the previous meeting held on 13 March 2018 were agreed and signed as a true record.

Resolutions:

1. The Board approved the minutes of the 13 March 2018 meeting as a true record.
2. The Board noted one Member's comment on B133.17/18 – Business Transformation Programme update, paragraph 11.3.

6. B09.18/19 - Matters Arising 13 March 2018

- 6.1 The Board noted that all matters arising were complete.

Resolution: The Board noted that all matters arising were complete.

7. B10.18/19 – Minutes of the ARC held on 27 March 2018

- 7.1 The ARC Chair asked Members to note the ARC draft minutes from the 27 March 2018 meeting and highlighted the implementation of the Resident Engagement Strategy (RES) at B16.18/19.
- 7.2 The ARC Chair referred Members to the two internal audit reports on Business Continuity (advisory review), and the Compliance Review, policy reviews and the deep dive of two strategic risks:

- Failure to deliver services that meet the needs and expectations of residents
- Failure to comply with Health & Safety obligations as a landlord, employer, developer and provider of support services.

The ARC Chair also referred Members to the top risks attached to the draft minutes.

- 7.3 The ARC Chair continued with the progress on the Internal Audit Recommendations and the approval of an extension for the compliance maintenance database.
- 7.4 The ARC Chair concluded with the Interim Management Letter and Audit Plan from Bevan and Buckland, who had presented the scope for the external audit, which was approved and of discussions on materiality at paragraph 13.3.
- 7.5 The ARC Chair asked for and received no questions, and all Members were content with the draft ARC minutes.

Resolution: The Board noted the draft minutes of the 27 March 2018 ARC meeting.

8. B11.18/19 – Governance

- 8.1 **Share Membership:** The G&CM asked the Board to note that no share membership applications had been received since the last meeting and to note the live Share Membership of 1,432.
- 8.2 The G&CM updated Members on the share membership administration exercise, the results of Phase 1 being due in 23 May 2018, with currently seven share members requesting they remain as members.
- 8.3 The G&CM responded to a query on current share membership campaigns, confirming there was no campaign currently and that following completion of the administration exercise, Share Membership would be reviewed more fully.
- 8.4 The Board noted the share membership report.
- 8.5 The G&CM referred Members to the Board self-assessment and recruitment update, and went on to highlight the Board self-assessment process and amended recruitment timeline. Members noted the recruitment campaign would be informed by the outcomes of the skills workshop scheduled for 15 May 2018.
- 8.6 The G&CM continued that successful applicants would attend the 17 July Board meeting to give Members the opportunity to meet them before considering the recommendation to appoint. The G&CM concluded that following feedback from share members, nominees would also be invited to pre-AGM refreshments to allow share members the opportunity to meet them.
- 8.7 A Member raised how the association would ensure a diverse range of candidates would respond to the recruitment campaign.



- 8.8 The G&CM advised a plan was in place to ensure this happened and suggested that the post recruitment update report to Board would provide Members with equality and diversity statistics.
- 8.9 The Chair requested Members to note the progress of the Board self-assessment and Board Recruitment processes to date.

Resolutions:

1. The Board noted that no share membership applications had been received since the last meeting and live share membership stood at 1,432.
 2. The Board noted the one to one schedule and its use to better understand and agree a set of skills required for the 2018/19 Board Member recruitment campaign.
 3. The Board noted the revised timeline for the Board Member 2018/19 Recruitment campaign.
9. **B12.18/19 – Chair and CEO Overview**
- 9.1 The Chair asked Members to note the Chair and CEO overview and asked for any questions or points of clarification. There being no questions the Chair continued by thanking those Board Members who attended the Equality & Diversity training workshop on Tuesday 1 May 2018.
- 9.2 The Chair continued that it was a thought provoking workshop which gave Members the opportunity to discuss both the legalities of Equality & Diversity and how it could inform Board decision making.
- 9.3 Members that attended agreed that it was informative and interactive session.

Resolution: The Board noted the Chair and CEO Overview.

10. **B13.18/19 – Quarter 4 Management Accounts**

- 10.1 The Financial Business Partner (FBP) presented the Quarter 4 management accounts for the period ended 31 March 2018 which showed an income and expenditure account surplus of £2.6m, compared to a budgeted deficit of £1.6m.
- 10.2 The FBP reported on gross income having increased by £557k compared to budget which was due to an increase of £186k in service charge income following the decanting of Longmeadow and Raglan Court being slower than anticipated.

- 10.3 The FBP continued that the homeowner income had seen an increase of £81k due to invoicing of major works being delayed from last year to this year.
- 10.4 The FBP concluded on income, before taking questions, that rental property showed a net decrease of £401k, due partly to an increase in Right to Buy sales, with 21 properties purchased during the year. Other factors were the Somerton project and a decrease of £80k due to the garage demolition programme.
- 10.5 There being no questions on income the FBP continued with expenditure which showed operating costs decreased by £1.8m compared to budget. This was due to an £86k over budget for staffing, with previously budgeted posts remaining vacant and reductions in staffing over the year.
- 10.6 The FBP continued that services were under budget by £460k and was due to a decrease of £80k in unresolved previous years' electricity invoices totalling £52k that will no longer be received. The FBP continued by reporting a decrease of £162k relating to an external rates review of the Duffryn district heating system, resulting in a rebate of £105k.
- 10.7 The FBP concluded, prior to questions, with a decrease of £60k on Duffryn boiler house fuel due to milder weather conditions for a large part of the year.
- 10.8 A Member noted the under budget reporting for services and queried whether the underspend on ground maintenance had reduced the quality of the service. The Executive Director of Operations (EDofOps) advised that this was due to a rectification exercise with Newport City Council (NCC) had taken place which had identified, and rectified, NCH resource intensive ground maintenance.
- 10.9 There being no further questions the FBP continued with reactive maintenance which showed a decrease of £815k due to the re-categorising of expenditure between capital and revenue based upon component data received at year-end. Members noted the budget was based on an arbitrary split.
- 10.10 The FBP continued with void maintenance which showed a decrease of £86k due to the undertaking of long term viability assessments on some voids, before proceeding with works, to avoid unnecessary spend.



- 10.11 There being no questions the FBP continued with cyclical maintenance which was £134k over budget. This increase was due to £19k in servicing costs for higher than usual sickness levels and paternity leave; £34k on the Duffryn boiler house servicing contract being higher than budgeted, and an increase of £90k on gas materials for accounting stock treatment.
- 10.12 The FBP continued with planned maintenance, which was £137k under budget for the total programme and £756k over budget for revenue spend, and was due to movement between capital and revenue.
- 10.13 The FBP continued with the re-modelling estates and regeneration development which was £672k over budget for the total programme and was due to demolitions under the Pill project, environmental improvements and new build. The ongoing project was scheduled to complete works in October 2018.
- 10.14 The FBP concluded, before taking questions, confirming the association was currently compliant with financial covenants at period 12 and officers were working with auditors on the post period 12 adjustments. Members noted there may be an impact upon the final surplus figure, but it was not anticipated to have a detrimental impact upon the covenants.
- 10.15 A Member commented that the financial report only gave a snap shot picture and that he would like to see performance and value linked in future reporting.
- 10.16 The Head of Finance & Procurement (HdofF&P) responded that a proposal for improved financial reporting would, with Board's agreement, commence at Quarter 1. Board would receive the usual Qtr 1 financial report and, in addition, would receive a new dashboard style financial report.
- 10.17 Members agreed that the reporting of management accounts was significantly better than previously and commercially this had been a sound report which had reflected Welsh Government's (WG) regulatory judgement comments on how these were presented. **HdofF&P**

Resolution: The Board approved the management accounts for the period ended 31 March 2018 for Lender and Welsh Government review.

11. B14.18/19 – Performance Indicators – 2017/18

- 11.1 The Business Improvement & Performance Manager (BI&PM) presented the Key Performance Indicators (KPIs) for Quarter 4 and

2017/18. The BI&PM referred Members to Appendix 2 of the report which gave a list of actions for improving performance, and following the request for further assurance from the February 2018 Board, additional quantitative measures.

- 11.2 The BI&PM concluded by highlighting the modest improvements made and asked for questions and observations.
- 11.3 The EDofOps responded to a query on the growth of calls in one period explaining that it was due to severe winter weather which resulted in higher than average calls. The EDofOps explained that the association received 322 emergency calls on the Friday and had responded to all of these by the Saturday. The EDofOps concluded that the severe weather crisis had been effectively managed as a result of good relationships with the workforce and local contractors and there had been no impact upon services.
- 11.4 A Member queried the increasing use of direct labour as opposed to contractors, and the CEO confirmed that an update would be provided under the Recognition and Reward confidential agenda item.
- 11.5 A Member questioned the growth of rent arrears from 2.4% to 2.9% during the quarter and queried how much of the growth was attributable to Universal Credit (UC) directly and how predictable was it for the future.
- 11.6 The HdofH&CS confirmed that UC had contributed to the growth, and overall UC claims had increased by 500% since the roll-out in November. This was due to a spike occurring at the start of the UC claim process when no payment was received and then saw the debt start to reduce as UC payments were received.
- 11.7 The HdofH&CS continued that a concerted effort was made with residents on UC to support them through this period and added that from February the waiting time period for UC had reduced by one week. The HdofH&CS also added that from April, those residents in receipt of housing benefit immediately prior to a UC claim, would receive an additional two weeks housing benefit whilst waiting for the first UC payment, and this was expected to reduce the initial UC spike currently being experienced.
- 11.8 The Chair stated that it was encouraging to see the resident satisfaction statistics were going in the right direction, and that voids were reducing.



- 11.9 A Member queried the garden project and the HdofH&CS explained that the project had been successful and was carried out in response to the survey feedback from residents on their satisfaction with their environment. Following garden inspections, it was found only a small minority of gardens were in a poor condition, and these had been addressed, following intensive management intervention and support.
- 11.10 The HdofH&CS continued that the learning from this project is that many vulnerable residents were unaware of support that was available to them eg Growing Space or they not have access to tools to maintain their gardens. As such the association was exploring the feasibility, in partnership with other RSLs, of using community benefit funding to set up a garden tool hire service.
- 11.11 Members went on to discuss how the quarterly survey selected residents, the city centre opening hours and the reduced opening hours at Ringland and Bettws to drive footfall to the city centre.
- 11.12 A discussion took place on whether opening hours at the city centre were being extended to a Saturday. It was confirmed that opening hours were extended from 8:30 am until 6:00 pm two days per week to support working residents. At present, there was no evidence to support the need to extend opening hours to a Saturday, but officers would continue to engage with residents to understand their needs. The discussion concluded with the positive feedback received on the new city centre office and the drive for greater online contact.
- 11.13 A Member stated that the four quarterly statistics gave a clear trend and pattern against the KPIs and requested that the 2017/18 trend pattern be retained for future reference. The BI&PM confirmed that was possible. **BI&PM**

Resolution: The Board reviewed and noted performance for 2017/18.

12. B15.18/19 – Modern Slavery Act 2015 – Statement Review

- 12.1 The HdofS&OD referred Members to the Modern Slavery Statement for the financial year ending March 2019. The HdofS&OD continued that the first statement was published in May 2017 and highlighted, as part of the procurement due diligence process, all contractors, with a turnover of £36m and above were to provide the association with a copy of their Modern Slavery Act 2015 statement and confirmation they were compliant.

- 12.2 The HdofS&OD continued that awareness training was being provided and formed part of the new induction process across the association. The HdofS&OD confirmed there had been no known, or reported instances, of non-compliance for modern slavery and human trafficking across the association's supplier based for 2017/18.
- 12.3 Members discussed compliance in respect of sub-contractors with a lower turnover and how compliance could be assured. The HdofF&P explained this had been identified as a supply chain challenge and plans were in place to integrate procurement activities as business as usual to ensure contract managers would be more alert to related issues.

Resolutions:

1. The Board noted there had been no known or reported instances of non-compliance for modern slavery and human trafficking across the Association's supplier base for the period 2017/18.
 2. The Board reviewed the Modern Slavery Statement 2018-19 and noted it would be signed by the Board Chair and CEO and published on the Association's website in accordance with the Act.
- 13. B16.18/19 – Implementation of the Resident Engagement Strategy (RES)**
- 13.1 The HdofH&CS provided an update on the implementation of the new RES, agreed by the Board in November 2017 and launched in March 2018.
 - 13.2 The HdofH&CS referred Members to Section 4 which detailed the principles of the new Scrutiny Panel, recruitment to the panel and thanked the ARC Chair and Vice Chair for their support during the recruitment process.
 - 13.3 The Chair asked observers who were members of the Scrutiny Panel for their comments, and they confirmed that their work had already started with engagement with the Senior Management team at its recent meeting.
 - 13.4 The Scrutiny Panel Members went on to inform the Board that they wished to change their name from Scrutiny Panel to Scrutiny Partnership, to reflect their desire to work in partnership with the association to help improve services.

Jane Mudd arrive at 18:28



Resolution: The Board considered and commented upon the implementation of the new Resident Engagement Strategy.

14. B17.18/19 – Business Transformation Programme Update

- 14.1 The BTM presented the report and advised that the accommodation work stream and the Board's decision to remain at Nexus House, had resulted in a saving of £250k per year. Phase 3 of the accommodation review would now focus on ensuring the office design; technology and culture would be able to support a more agile workforce, where staff are measured on their performance.
- 14.2 The BTM continued with the customer service review which demonstrated the new city centre office and website had been well received, with the take-up of on-line accounts increasing daily. Members noted that the work stream continued to review the effectiveness of services to ensure they are delivered to meet the needs of residents and were embedded into a culture of performance.
- 14.3 The BTM referred Members to the Recognition and Reward (R&R) review and the implementation of the new framework agreed at the February Board meeting. Contractual changes for all staff were on target for completion by early December 2018 and a new performance development process had been implemented providing a structured tool to help managers manage team productivity and performance in an agile working environment.
- 14.4 The BTM continued with the income and cost review where staff had identified how to work smarter and deliver value for money (VfM). From July 2018, the Board would receive quarterly progress updates against the implementation plan. There being no questions, the BTM handed over to the HdofS&OD for details on the Restructure Evaluation at Appendix 1.
- 14.5 The HdofS&OD reported that some improvements had already been realised, such as driving down consultancy costs and the changes to the customer service experience, the city centre location, and over 450 residents registering on line for digital access, equating to 4.8% of the association's residents in just over a month.
- 14.6 The HdofS&OD continued that the maintenance team had dealt with the outcomes of the tragic events at Grenfell, a robust development team were now in place with the first 12 new homes due to complete in May 2018.

- 14.7 The HdofS&OD concluded before taking questions that the association had focused both externally and internally to realign services to drive and support VfM across the association.
- 14.8 A Member queried how staff engagement aligned with the report and how the two would be drawn together. The CEO responded that a full analysis of staff engagement data was being undertaken by the Leadership team in the spring/summer, which would be reported back to the Board in autumn. **HdofS&OD**

Resolutions:

1. The Board noted the progress of the Business Transformation Programme update
 2. The Board noted the progress on the Evaluation of the 2016-17 restructure.
15. **B18.18/19 - Any Other Non-Confidential Business**
- 15.1 The ARC Chair raised a query in relation to vacant garages. The HdofH&CS responded that a small number of garages were being let with applications assessed against a new weighting criteria, one of the criteria points was living in an area close to the garage being rented. The ARC Chair was requested to provide the detail to the HdofH&CS for further investigation. **ARC Chair HdofH&CS**
- 15.2 There being no any other Non-confidential Business, the Chair closed the non-confidential element of the Board at 18:40 and thanked observers and guests for attending.

The Non Confidential Board concluded at 18:40

Observers and Guests left prior to Confidential Board Meeting.