



**Agenda Item No B48.19/20  
Board Minutes**

Non Confidential Minutes – 16 July 2019 commencing at 19:00

**Present:**

Nicola Somerville	Board chair
Janice Morgan	RC chair
Alex Stephenson	Board vice chair
Helen Taylor	ARC vice chair – tele-conferencing
Guy Stenson	ARC chair
Jayne Rose	Board member
Christian Cadwallader	Board member – tele-conferencing
James Tarrant	Co-optee

**In Attendance:**

Ceri Doyle	Chief executive officer (CEO)
Rob Lynbeck	Executive director of operations (EDofOps)
Tim Jackson	Executive director of finance and resource (EDofF&R)
Stephanie Bradley	Deputy director of finance and resource (DDofF&R)
Simon Andrews	Deputy director of property and place (DDofP&P)
Joanna Fairley	Head of governance and compliance (HdofG&C)
Chris John	Business information and performance manager (BI&PM)
Sharon Morden	Business transformation programme manager (BTPM)
Richard Talbot	Health & safety manager (H&SM)
Gill Sherman	Senior governance officer (SGO) – board secretary

**Observers:**

Matthew Davies	Executive director of development - designate
Daniel Seabrook	Senior HR manager
Shelley McGuire	SP observer
Maurice Darani	SP observer
Wendy Berry	SP observer
John Hills	SP observer
Ian Hibble	Welsh government regulation manager
Alison Johns	Welsh government senior regulation manager

	<b>AGENDA ITEM</b>	<b>ACTION</b>
<b>12.</b>	<b>Welcome</b>	
12.1	The chair opened the non confidential meeting at 19:00 welcoming observers, introducing Matthew Davies, the executive director of development (EDofD) designate and Daniel Seabrook, the senior HR manager and noting that Helen Taylor and Christian Cadwallader were teleconferencing into the meeting.	



- 12.2 The chair reminded members, that as previously, all standard items and minutes would be taken by exception.
- 13. B32.19/20 Minutes of the non confidential meeting held on 23 May 2019**
- 13.1 Members approved the non confidential minutes of the last meeting held on 23 May 2019 as a true and accurate record.

**Resolution: The board approved and the chair signed the non confidential minutes of the last meeting held on 23 May 2019 as a true record.**

- 14. B32.19/20 – Matters Arising**
- 14.1 Members noted the two ongoing and three completed matters arising.

**Resolution: The board noted the two ongoing and three completed matters arising**

- 15. B32.19/20 Minutes of the non confidential Audit & Risk Committee (ARC) meeting held on 18 June 2019**
- 15.1 The board noted the non confidential minutes of ARC meeting held on 18 June March 2019.
- 15.2 The ARC chair referred to the extensive work programme the scrutiny partnership (SP) had undertaken through the year, concluding with the “residents at the heart report” for board’s approval and thanked the SP for its excellent work.
- 15.3 The ARC chair referred members to note the limited assurance landlord H&S audit, and the management responses which were being monitored by the ARC. The ARC chair asked members to note that RSM had been appointed as the association’s new internal auditors and who would undertake a follow up audit report on landlord H&S for the ARC’s 26 November 2019 meeting.
- 15.4 The ARC chair continued that the Statutory Accounts and audit letter had been reviewed by the ARC at its last meeting which confirmed an unqualified audit opinion and was recommended to board for approval.

**Resolution: The board noted the non confidential minutes of the last ARC meeting held on 18 June 2019, the work undertaken by the SP, the landlord H&S audit and the ARC recommended Statutory Accounts.**

- 16. B33.19/20 – Chair & CEO Overview**
- 16.1 The chair asked for any comments or questions on the overview, there being no questions the CEO confirmed the following papers, which had



been received after BoardPacks had gone to members, and available on the knowledge area:

- The ministerial statement in response to the recently published Affordable Housing Review (AHR).
- The Regulatory Board for Wales (RBW) report on its thematic review on “hearing the tenant’s voice”.

The CEO concluded that the current RBW chair Helen White had just been appointed as the new chief executive of Taff Housing association, and as a result the RBW would be recruiting a new chair.

**Resolution: The board noted the chair & CEO overview.**

**17. B34.19/20 – Draft self-evaluation**

- 17.1 The business improvement and performance manager (BI&PM) referred members to the draft self-evaluation for 2018-19. The BI&PM expressed his and colleagues’ thanks to the RC chair who had, on behalf of the board, reviewed the draft and provided useful feedback and also thanked the SP for its review and feedback, confirming feedback had been incorporated into the draft presented.
- 17.2 The BI&PM concluded before taking member comments by referring to the arrangements for consultation of the self-evaluation and requested board approve the draft.
- 17.3 Upon invitation of the chair, Shelley McGuire (SG), SP member, commented that the SP had enjoyed taking part in the review and having the opportunity to look in depth at the activities across the year.
- 17.4 The RC chair thanked the team for all their work during the review stage, commenting that inclusion of references to procurement and the work of the board would have been beneficial. She added there was a lot of text, especially in the last section but that she understood this was as a result of feedback from residents on last year’s document. The RC chair said the content was excellent and congratulated the association. A member added that the draft seemed to be very inclusive, was well presented, and that board involvement this year in the process had worked well. There being no further comments the board approved the draft.

**Resolutions:**

- 1. The board approved the draft self-evaluation for 2018-19.**
- 2. The board noted the outcomes of consultation would be reported back to 17 September 2019 board.**

**18. B35.19/20 – External audit**

- 18.1 The deputy director of finance and resources (DDoF&R) referred members to the financial statements, external audit report and letter from the external auditors Bevan & Buckland (BB). The DDoF&R referred members to paragraph 3.1, details of the financial position for the year end which showed an operating surplus of £5.5m, the upkeep of homes totalling £33.7m and the housing assets of £127.8m.
- 18.2 The DDoF&R referred members to appendix 2.2 which showed little movement, and an adjustment of £6m since quarter four on LGPS. The DDoF&R requested approval for the write off of £641k of aged bad debt, identified during a routine financial housekeeping exercise.
- 18.3 The DDoF&R confirmed that the ARC had reviewed the financial statements 2018/19, audit findings report and the letter of representation, and held a private conversation with the external auditors BB at its 18 June 2019 meeting. The DDoF&R concluded, before taking questions by requesting members approve the ARC recommendation to re-appoint BB as external auditors for 2019/20 at the AGM on 23 September 2019.
- 18.4 Members discussed the aged bad debt and the methods used to recover debt prior to write off, the frequency of housekeeping and the process used to recover debt of former tenants who were now traceable.
- 18.5 A member queried whether refinancing qualified as a post balance sheet event and the DDoF&R advised that in response to this existing debt it would be moved to a short term debt which was to be repaid within the year.
- 18.6 A member queried the bad debt write off and whether this was periodic or an annual event. The DDoF&R advised this had resulted from a housekeeping exercise and was looking to introduce a quarterly process.
- 18.7 A member queried a typographical error on page 12 where it referred to three key covenants, but only two were listed. The DDoF&R confirmed this would be amended accordingly. **DDoF&R**

**Resolutions:**

1. **The board approved the:**
- a. **Financial statements**
  - b. **Management letter**



- c. Reconciliation of management accounts
- d. The write off of aged bad debts of £641k.

- 2. The board approved the appointment of B&B as external auditors for 2019/20 at the 23 September 2019 AGM.

**19. B36.19/20 – Annual ARC report**

- 19.1 The ARC chair referred members to the ARC annual report and appendices which reflected the work undertaken in the last year by the ARC and which was recommended to board to provide assurance. The ARC chair went on to highlight the developing relationship with the SP and its residents at the heart assurance report, to note the key areas of risk, the indepth risk review schedule and the ongoing data integrity challenge for the association which was being monitored by the ARC.
- 19.2 The ARC chair continued by notifying members of the appointment of RSM, the new internal auditors, who had worked closely with the ARC across the first quarter. The ARC chair concluded by thanking Helen Taylor as the ARC outgoing vice chair for her work and support.
- 19.3 The chair asked members for comments, questions and approval of the reports. There being no questions the board noted the ARC annual report for 2018-19 and appendices 3.1-3.5.

**Resolutions:**

- 1. The board noted the annual ARC report for 2018/19.
- 2. The board approved the annual internal auditor's report.
- 3. The board approved the asset and liabilities register report.
- 4. The board approved the SP residents at the heart assurance report.
- 5. The board approved the health & safety annual assurance report.

**20. B37.19/20 – AGM notice and arrangements**

- 20.1 The head of governance and compliance (HdofG&C) requested and received approval for the draft AGM notice and share member proxy form for 2019, with the inclusion of Nicola Somerville and James Tarrant, for noting at the AGM.
- 20.2 The HdofG&C requested board consider and approve attaching the SP's residents at the heart report to the AGM notice for distribution to share members, as an example of the key role SP has taken in providing resident assurance.

**Resolutions:**

- 1. The board approved the AGM notice and recommendations within the notice.
- 2. The board approved the draft proxy form for distribution to share members.



3. The board approved the inclusion of the SP's residents at the heart report to the AGM notice
4. The board noted the arrangements for the 2019 AGM.

**21. B38.19/20 – Contract variation**

21.1 The deputy director of property and places (DDofP&P) requested members approve the contract variation of £2,053,000 which had been identified following a review of 150 planned maintenance contracts across 2015-2018.

21.2 The executive director of operations (EDofOps) explained that whilst undertaking the review, variations on contract sums had been identified. These had been managed within previously approved budgets and managed through the rolling programme, but had not been referred back to board as a contract variation for board approval. The EDofOps confirmed that these were historical matters, going back to 2013 and were being reported to board to ensure openness and transparency following the review.

21.3 The chair asked for assurance that lessons had been learned and the board would not receive a request of this type in the future.

21.4 The DDofF&R confirmed that this would not happen again as the activities had pre-dated the introduction of the procurement team and new processes now in place.

21.5 A member queried what the works related to and the EDofOps advised they were urgent or emerging works that were additional or unforeseen in relation to fire and asbestos issues.

**Resolution: The board approved the contract variation for the sum of £2,053,000 from 2015-2018, noting that improved procedures would ensure that such variations would not arise in the future.**

**22. B39.19/20 – Any other non-confidential business**

22.1 There being no any other business, the chair thanked members and observers for attending and closed the meeting at 19:26.

**The chair closed the meeting at 19:26**