



Agenda Item No B67.19/20
Non-Confidential Board Minutes

Non Confidential Board Meeting – Tuesday 17 September 2019, commencing at 19:17

Present:

Nicola Somerville	Board chair
Alex Stephenson	Board vice chair
Janice Morgan	Remuneration chair (RC)
Kevin Ward	RC vice chair
Guy Stenson	Audit & risk committee (ARC) chair
Helen Taylor	ARC vice chair
Sheila Davies	Co-optee
James Tarrant	Co-optee – video-conferencing
Christian Cadwallader	Board member – video-conferencing

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)
Matthew Davies	Executive director of development (EDofD)
Stephanie Bradley	Deputy director of finance and resource (DDofF&R)
Joanna Fairley	Head of governance and compliance (HdofG&C)
Sharon Morden	Business transformation manager (BTM)
Chris John	Business improvement and performance manager (BI&PM)
Gill Sherman	Senior governance officer (SGO) minutes

Observers:

Alex Phillips	Business planning and treasury accountant
Owen Barrett	Digital services manager

	AGENDA	ACTION
10.	Welcome	
10.1	The board chair opened the non-confidential board meeting at 19:17.	
11.	B48.19/20 Non-confidential minutes of the meeting held on 16 July 2019	
11.1	Members approved the non-confidential minutes of the last meeting held on 16 July 2019 as a true and accurate record.	
	B48.19/20 – Matters Arising	
11.2	Members noted the three ongoing, and one completed matters arising.	

Resolutions:

- 1. The board approved and the chair signed the minutes of the last meeting held on 16 July 2019 as a true record.**

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2. The board noted the three ongoing and one completed matters arising.

12. B49.19/20 – Chair & CEO Overview

- 12.1 The chair asked for comments or questions on the overview, there being none, the chair reminded members of the next board strategic planning day (BSPD), on Friday 6 December 2019.

Resolution: The board noted the chair & CEO overview.

13. B50.19/20 – Quarter 1 integrated performance report

- 13.1 The business information and performance manager (BI&PM) referred members to the quarter 1 2019/2020 integrated performance report. The BI&PM continued that this was based on the tenth quarterly survey with the overall trend being flat, and continued to show that repairs and the environment were the biggest drivers of dissatisfaction and subject to continuing improvement actions. The BI&PM continued that quarter 1 had consistently produced the lowest satisfaction score of the four surveys annually, with 2019/20 at 72.5%, compared to 72.3% in 2018/19 and 70.8% in 2017/18.
- 13.2 The BI&PM concluded with the update on the social contract programme, which aims to define our offer to residents and partners, with project feasibility scheduled to report to board in March 2020.
- 13.3 The deputy director of finance & resources (DDofF&R) referred members to the non-confidential quarter 1 management accounts, highlighting the detail of the key variances at paragraph 5.2, and asking members to note the predicted £29.2m deficit as a result of refinancing slipping by one month into quarter 2 and asked for questions.
- 13.4 A member queried the level of resident satisfaction for “NCH listens to our views and acts on them” The BI&PM responded that as with other housing associations (HAs), this measure scores consistently lower than other satisfaction measures, and the drivers for dissatisfaction remains repairs and estates. Following a member’s question, the BI&PM advised that transactional surveys had not yet commenced.
- 13.5 The CEO advised that there was a requirement for granularity of data below the STAR survey. For this to be effective there was a need to refine processes to services provided to residents. The CEO continued that in 2020 the repairs portal would be launched which would have new end-to-end processes supported by the data integrity project (DIP) and provide a level platform on which to collect reliable data.
- 13.6 The chair expressed the outcomes were not acceptable and questioned the lack of movement and change across the past three

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- years, and the inability to determine exactly what residents were unhappy about. The chair continued that the repairs portal would provide reliable data, but in the meantime using a test survey with a rating of 1-5 immediately after a repair could give the association an understanding of how the repairs service was performing.
- 13.7 The CEO responded that the only reliably sourced evidence for interrogation was STAR, the industry standard, which surveyed the same people across the quarters. The CEO recognised the board's frustrations, but asked members to continue with its commitment to the current KPIs and STAR survey until the completion of 2020 Vision, the board's five-year strategy. The CEO continued that the narrative that accompanied the STAR survey had identified litter picking, fly tipping, drug dealing, residents wanting but being unable to move, police response times, and anti-social behaviour as reasons for dissatisfaction. Members noted that many of these reasons were outside the direct control of the association.
- 13.8 The CEO continued that in October 2018 the board raised the need for a social contract, having identified that a very high percentage of the association's expenditure went on discretionary activities. The CEO concluded that the board had collectively agreed to explore the social contract following the May 2019 BSPD, and anticipated resident satisfaction potentially dropping following a clear external communication to residents on the agreed social contract when it was launched.
- 13.9 A member raised concern that there was a lack of understanding of the quality of the repair service without transactional feedback that the association should be able to measure. He questioned whether performance could be an indication of a failing repair service, in the absence of such detail.
- 13.10 Another member commented that the board had the opportunity to shape key performance indicators from 2020-2025 conversations. The member continued there was a lack of understanding and detail as to what transactional services were under performing, and cautioned against making assumptions rather than having an actual measurement.
- 13.11 The CEO reminded members of the business transformation portfolio (BTP), and specifically implementation of the DLO programme, which aimed to provide greater operational efficiencies and increased resident satisfaction. The CEO stated that the programme was six months in and had required lengthy consultations and negotiations with colleagues, but work was positively moving forward.

- 13.12 The CEO continued by highlighting the positive outcomes following implementation of the customer services standards and the new online portal. The CEO concluded that the social contract sought to provide clarity on the association's future role in addressing causes of dissatisfaction.
- 13.13 A member queried whether there was an internal communications issue in relaying repair information back to the resident, which in turn caused frustration. The CEO advised that this was not an issue that had been raised as a concern and if there were instances of this not happening the deputy director of housing and community would take remedial action. **DDofH&C /DDofP**
- 13.14 Following a general discussion on communications, the business transformation manager (BTM) advised that the resident magazine was due to be published in December 2019 and could be received by either e-mail or post.
- 13.15 A member pointed out that the resident engagement strategy was good, and the STAR survey was from the same sample of residents. The member continued that if, as it appeared, residents were dissatisfied with their environment and neighbourhood, the chief concerns, being with the services that the local authority or police were responsible for, such as rubbish, car parking and anti-social behaviour, the pivotal discussion and agreement for the proposed social contract would provide clarity.
- 13.16 A member suggested removing those KPIs, which were not under the association's control, and acknowledging the association was unable to improve upon them, but to lobby and work with partners to address these areas of concern. The CEO responded that this could be considered by the board during its 2020+ strategic discussions, and cautioned against changing KPIs within the current strategic planning period just because we do not like what they tell us. **BI&PM**
- 13.17 The chair moved the discussion to the DIP and asked the DDofF&R to provide members with an update. The DDofF&R reported that the DIP was on schedule to complete its feasibility study and report back at end November 2019. The DDofF&R commented that data issues had already been identified, referring to landlord health & safety at paragraph 3.5. The DDofF&R concluded, before taking questions that updates would be provided to both the ARC and the board in the first half of 2020.

- 13.18 Members had no further questions and were content to note performance for quarter one 2019/20, adding that the work being undertaken to improve resident satisfaction was not reflected in the scores. Members went on to approve the quarter one management accounts and note the DIP update.

Resolutions:

1. The board reviewed and noted performance for quarter one 2019/20.
2. The board approved the quarter 1 non-confidential management accounts.
3. The board noted the DIP update.

14. B51.19/20 – Annual strategic risk register

- 14.1 The BI&PM referred members to the annual strategic risk register review, which had formed the basis for the confidential themed discussion at B46.19/20. The BI&PM highlighted the changes to risks relating to environment and the continuing uncertainty surrounding Brexit, with risks identified to income, rising costs and disruption to the supply chain. The BI&PM continued with the uncertainty around rent levels, assured the board that the ARC reviewed the risk register, and undertook in depth risk reviews. The BI&PM concluded by asking members to note the changes in the operating environment and the materialisation of major risks across the last year, to review the risk register, provide feedback, and note the in depth reviews of major risks already undertaken by ARC.

- 14.2 The board was content with the annual risk report and register, querying the annual pension actuarial at paragraph 5.2 of the report. The DDofF&R responded that following a review, the deficit showed an increase, largely due to financial assumptions on the return of investments. The DDofF&R concluded that a new actuarial report was expected in January 2020, which would determine the level of future contributions and would be reported to the Remuneration Committee (RC).

Resolutions:

1. The board noted the major changes in the operating environment and the materialisation of major risks across the last 12 months.
2. The board reviewed the risk register and provided feedback.
3. The board noted in-depth reviews of major risks had been undertaken.

15. B52.19/20 – Performance standards compliance statement

- 15.1 The head of governance & compliance (HdofG&C) referred members to the 2019 performance standards compliance statement. The statement had been informed by the leadership team and senior managers and was owned by the board. The HdofG&C continued that the draft statement had been shared with the Welsh Government



Regulation Manager (WG RM), with no feedback or queries received. The HdofG&C concluded by asking members to approve the statement, which would be formally passed to the WG RM and would be used, with evidence provided in the regulatory assurance plan, to inform the regulatory judgement, the date for the judgement meeting still awaited from the RM.

- 15.2 The chair commented on the scale of work that the association had undertaken during the year and members approved the 2019 performance standards compliance statement, noting it would be passed to the WG RM.

Resolutions:

1. The board reviewed, considered and approved the performance standard compliance statement for 2019.
2. The board noted the 2019 performance standard compliance statement would be formally shared with the welsh government regulation manager to inform the association's regulatory judgement.

16. B53.19/20 – Any other non-confidential business

- 16.1 There being no any other non-confidential business, the chair went on to thank Helen Taylor and Jayne Rose who were attending their last board meeting. The chair acknowledged their huge commitment across six years for Jayne and two years for Helen, wishing them both the very best for the future.

The chair closed the non-confidential meeting at 20:07