



**Agenda Item No B20-2.20/21
Board Minutes**

Virtual Board Meeting – Tuesday 14 July 2020 17:30

Present:

Members:

Nicola Somerville	Board chair
Alex Stephenson	Board vice chair
Janice Morgan	Board member
Kevin Ward	Board member
James Tarrant	Board member
Guy Stenson	Board member
Christian Cadwallader	Board member
Chris Sutton	Board co-optee

In Attendance:

Ceri Doyle	Chief executive (CEO)
Tim Jackson	Executive director of transformation (EDofT)
Matthew Davies	Executive director of development (EDofD)
Stephanie Bradley	Interim director of finance & resources (IDofF&R)
Sharon Wilkins	Deputy director homes and communities (DDH&C)
Joanna Fairley	Head of governance and compliance (HdofG&C)
Chris John	Strategy & business intelligence manager (S&BIM)
Katrina Rigby	Governance officer (GO)/minute clerk

Observers:

Lloyd Morgan	CEO Office Manager
Robiu Salisu	Potential Co-optee

AGENDA ITEM

ACTION

1. Welcome to board members and observers

1.1 The chair opened the virtual board meeting at 17:30 and welcomed members and observers Robiu Salisu and Lloyd Morgan.

1.2 The chair noted the key papers for discussion:

B13 AGM notice and arrangements

B14 Draft self-evaluation

B15 External audit – financial statements 2019-20

B16 Annual ARC report



- 2. B10.20/21 – Apologies for absence**
- 2.1 Apologies were received from the executive director of operations (EDofOps) and it was noted that the deputy director homes and communities (DDH&C) would be deputising for the purposes of the meeting.
- 3. B11.20/21 - Declarations of interest**
- 3.1 The CEO asked the board to note the one declaration of interest, which was non-disqualifying:

B13.20/21 – AGM notice and arrangements – Janice Morgan and Kevin Ward re-appointment to the board.

Resolution: The board noted that Janice Morgan and Kevin Ward had declared an interest in B13.20/21 – AGM notice and arrangements which was non-disqualifying.

- 4. B12.20/21 - Digital approvals**
- 4.1 The chair confirmed that following members' noting of the digital approvals already recorded, discussions could take place which would be minuted in the order they were discussed (set out at paragraph 4.2 onwards). The following confidential and non-confidential resolutions were digitally approved or noted through BoardPacks and met quorum requirements of five members voting/noting:

Digital resolutions:

1. **B12-2** The board approved applying the chair's electronic signature to the minutes of the previous meeting – 19 May 2020 as a true and accurate record.
2. **B12-3** The board noted the 11 completed and four ongoing matters arising.
3. **B12-4** The board noted the minutes of the ARC held on 23 June 2020.
4. **B12-5** The board noted the Chair/CEO overview.
5. **B12-6** The board noted the company seal had been used 17 times for numbers 11-27.
6. **B12-7** The board noted the development and regeneration governance framework report and Social Housing Grant (SHG) update.

- 4.2 The interim director of finance and resources (IDofF&R) responded to a request for a progress update on the Moody credit rating, stating that the assessment was scheduled for 13/14 August 2020, adding that as [REDACTED] had been very positive about the association's financial position, a good rating was expected.
- 4.3 A member asked for further clarification on how the approach to ethical investing was being considered as part of the treasury policy, as referenced in B12-3 matters arising. The CEO advised that pending a positive Moody rating, the aim was to move forward with the [REDACTED] funding, and whilst it was not practical at this stage to do a back search of all potential investors to that bond, the association would continue to look at ethical investors when considering future funding opportunities.
- 4.4 The CEO asked the board to note that there was an error in the Chair/CEO overview (B12-5) with regard to the SPV update. Newport City Council (NCC) had been incorrectly included in the list of project partners, as NCC were not involved in the partnership group. The CEO further advised that there had been an update on the Sero involvement in retrofitting of properties to optimise carbon reduction, which was being explored by the deputy director of property & places (DDP&P) as a priority.
- 4.5 [REDACTED] **Gov team**
- 4.6 A member asked about the 'safer buildings' initiative, following Grenfell, and whether it only applied to smaller properties. The CEO advised that in Wales a risk-based assessment was proposed, as opposed to an arbitrary height of buildings. Adding that the EDofOps was drafting a response to the Welsh Government (WG) consultation on the proposed regulations.
- 4.7 A member queried the current position on the Covid-19 response with support being provided to NCC and whether there was an exit strategy for colleagues to return to NCH. The DDH&C confirmed that the association was still making calls but also looking at capacity and resources, with a view to negotiating an exit agreement with NCC.
- 5. B13.20/21 – AGM notice and arrangements**
- 5.1 The HdofG&C referred members to the report and asked if there were any questions or comments on the proposals.



- 5.2 The chair noted that the report provided a good overview of the options available, as well as the potential impacts for the association. There were no questions and members went on to note and approve all recommendations.

Resolutions:

1. The board approved option 1 to hold a “virtual” 23 September 2020 AGM.
2. The board noted the arrangements for the 2020 AGM.
3. The board approved the AGM draft notice and the recommendations contained therein including the re-appointment of the external auditors for the period until the next AGM.
4. The board approved the draft AGM voting form for distribution to share members.
5. The board noted that the Scrutiny Partnership (SP)’s residents at the heart report would be added to the AGM notice.
6. The board approved the selection panels recommended re-appointment of Janice Morgan and Kevin Ward for a second three-year term of office following the 2020 AGM.

6. B14.20/21 – Draft self-evaluation

6.1 The strategy and business intelligence manager (S&BIM) referred members to the draft self-evaluation, highlighting that it provided a body of evidence to show progress on the five-year 2020 Vision objectives. The S&BIM thanked the SP for its input to the self-evaluation and its statement at appendix 2. The S&BIM added, before taking questions, that two board members and an SP member had been identified to assist in the final shaping of the draft.

6.2 A member praised the achievements made against the 2020 Vision objectives and queried whether the amber ratings on three of the five categories accurately reflected the association’s performance or whether it was overly harsh. There followed a brief member discussion with the following points being made:

- Whilst there was a great deal to be proud of there was always room for improvement and acknowledging this in the report provided assurance to residents that the association had not become complacent.
- The report was about evaluating achievement against previous objectives and there would be the opportunity to test the RAG ratings during the consultation period. The association had set high ambitions for its 2020 Vision and must also celebrate what had been achieved.



- The report demonstrated balance and self-awareness with detail to reflect upon.
- The RAG ratings were considered to be a fairly blunt instrument and needed to be considered in the context of the whole report.

- 6.3 Following discussions, the CEO proposed that previous board members be approached for feedback on the self-evaluation, having originally been involved in the development of the 2020 Vision. **S&BIM HdofG&C**
- 6.4 The chair concluded that it was an excellent report and thanked the S&BIM and team for all their work on it.
- 6.5 Members approved the draft self-evaluation and noted the recommendations.

Resolution:

1. The board reviewed the self-evaluation draft ratings for each strategic priority.
2. The board approved the draft self-evaluation for 2019/20.
3. The board noted that subject to approval, the document would be summarised and appropriately designed and communicated to residents and stakeholders to provide feedback on their views against the board's self-evaluation.
4. The board noted the proposed board self-elevation champions, Janice Morgan and Guy Stenson.
5. The board noted that an update on the feedback received during consultation would be provided at the 8 September 2020 board.

7. B15.20/21 – External audit – financial statements 2019-20

- 7.1 The IDofF&R referred members to the external audit reports noting that the accounts had been more complex than usual, and positively, the year-end had outperformed the budget. The IDofF&R drew member's attention to the exceptional items, including the refinancing exercise and associated breakage costs, and increased income from the right to buy scheme which had now closed.

- 7.2 The IDofF&R highlighted the one exceptional year end item, where the association had taken the opportunity to review component data in the fixed asset register before moving to the new integrated system. This had led to the write off of £923K which would be reflected in the accounts this financial year and was noted in the auditor's management



letter. The new system and the controls now in place would prevent similar write offs in the future. The IDoF&R concluded, before taking questions, that this had been the first remote audit for the external auditors and although there had been a few timing issues noted, there was nothing of significance to report in the accounts.

7.3 There being no member questions, the CEO highlighted that, considering the accounts had been prepared as the Covid-19 lockdown began, with the financial controller new in post and the IDoF&R having just taken up the interim director role, the low level of intervention from the auditors showed that the association had been very well prepared for this financial audit.

7.4 Members approved the external audit reports

Resolutions:

1. **The board approved the financial statements for 2019-20.**
2. **The board approved the audit letter and the letter of representation.**
3. **The board approved the write off of £923k of component data.**

8. B16.20/21 – Annual audit & risk committee (ARC) report

8.1 The ARC chair referred members to the annual ARC report, which was recommended to board at its 23 June 2020 ARC meeting, noting that it was an accurate summary of the year's work and also reflected a positive transition to the new internal auditors. The ARC chair then welcomed questions.

8.2 A member queried the data relating to fire doors in appendix 4 – H&S report - fire safety assessment table, noting the figures appeared to have changed, and asked if the association was now compliant. The EDofD advised that some tolerances had been acceptable in the past, but fire safety measures had become more stringent since the Grenfell tragedy. The association was retrofitting sprinkler systems into properties as part of an action plan agreed with South Wales Fire and Rescue Service (SWF&RS). The EDofD concluded that the original plan to replace all fire doors in the short term had changed to a longer time frame.

8.3 The CEO added that SWF&R recognised the increased escape time that sprinklers provided when used alongside fire doors, and that the EDofOps was working with the health and safety committee to ensure the association's response and feedback to the WG safer buildings

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policy reflected the benefits of working holistically to look at the entire estate in a pragmatic way.

- 8.4 The chair complimented the honesty of the SP report and the evidence of community engagement. The ARC chair added that there had been a recent change in SP representation on the ARC and the committee continued to develop positive relationships with the SP group.
- 8.5 An observer queried the association's value for money (VfM) approach and whether it would be impacted by the Covid-19 situation. The CEO confirmed that the association continued to look for savings as part of the VfM framework. The IDoF&R added that the framework had been approved by board, with the VfM action plan now included in the business plan, and all spending challenged in terms of VfM, including purchasing and services, with cost, quality and satisfaction being a key priority for the association.
- 8.6 The DDH&C added that the association also had a rent setting policy which required the board to take account of VfM when setting rent levels each year.
- 8.7 The observer thanked staff for their responses and asked if it could be beneficial to develop an interim VfM policy that could help guide decision-making during the uncertainty of the Covid-19 situation. The executive director of transformation (EDoT) advised that the pandemic had actually created new opportunities, and the association was now working towards a 'new normal' operation and not planning to go back to previous ways of working.
- 8.8 The EDoT continued that the association had achieved changes in the last two/three months that could previously have taken years to implement. Staff had been more open and flexible to change, working differently to meet resident's needs, and in many ways the pandemic had galvanised the workforce. The EDoT added that the 2025 objectives would be supported by a programme that looked at VfM in terms of satisfaction and services, and which moved the association towards new ways of working.
- 8.9 An observer queried the year on year increase in non-violent incidents between employees and residents, as reported in the H&S report. The ARC chair advised that this reflected improvements in the reporting procedure and good practice, with colleagues who work in the community knowing and having the confidence to report incidents.



- 8.10 The CEO added that the association was now taking a zero-tolerance approach to abusive behaviour which would inevitably lead to an increase in reporting. The EDofT added that the increased size of the workforce, with more operatives reporting directly to the association than previously, would also raise the number of incidents recorded.
- 8.11 The board noted and approved the annual ARC report and appendices.

Resolutions:

1. The board noted the annual ARC report for 2019/20.
2. The board noted the annual internal audit report.
3. The board noted the health & safety annual assurance report.
4. The board noted the scrutiny partnership residents at the heart assurance report.
5. The board approved the asset & liabilities register.
6. The board approved the annual assurance framework.
7. The board approved the ARC terms of reference (ToR).

9. B17.20/21 – Any other business

- 9.1 The CEO asked all members to look to their networks for potential candidates for co-option, with a particular need for accountancy skills, and to provide any recommendations to the chair.
- 9.2 The chair noted the success of the recent join and learn (J&L) session, provided by the governance team, and the board touchpoint session that followed. The touchpoint session had been positively received and the chair requested touchpoint sessions to be scheduled for the Thursday or Friday afternoon after BoardPack publication and to invite board members, the CEO or a deputy, and members of the leadership team as appropriate. **Gov team**
- 9.3 With no further business to discuss the chair thanked members and closed the meeting at 18:25.