



Agenda Item No B51-2.20/21 Board Minutes

Virtual Board Meeting – Tuesday 23 February 2021 17:30

Present:

Members:

Nicola Somerville	Board chair (attending as board member)
Christian Cadwallader	Board vice chair (chairing)
Janice Morgan	Board member
Kevin Ward	Board member
James Tarrant	Board member
Guy Stenson	Board member
Chris Sutton	Board co-optee
Robiu Salisu	Board co-optee
Mike Usher	Board co-optee

In Attendance:

Ceri Doyle	Chief executive (CEO)
Tim Jackson	Executive director of transformation (EDofT)
Matthew Davies	Executive director of development (EDofD)
Sonia Furzland	Executive director of operations (EDofOps)
Gareth Yeoman-Evans	Executive director of finance & resources (EDofF&R)
Stephanie Bradley	Interim director of finance & resources (IDofF&R)
Simon Andrews	Deputy director of property and place (DDofP&P)
Sharon Wilkins	Deputy director of homes and communities (DDH&C)
Rachel George	Head of regeneration (HdofR)
Joanna Fairley	Head of governance and compliance (HdofG&C) & Company Secretary
Miranda McGinn	Corporate financial controller (CFC)
Chris John	Strategy & business intelligence manager (S&BIM)
Katrina Rigby	Governance officer (GO)/minute clerk

Observers:

Lauren Brown	Executive team assistant
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AGENDA ITEM

ACTION

1. **Welcome to board members and observers**
 - 1.1 The vice chair opened the virtual board meeting at 17:35, welcomed members, and Gareth Yeoman-Evans (executive director of finance and resources) and Sonia Furzland (executive director of operations), who were attending their first board meeting in their executive roles, and also Lauren Brown (executive team assistant) who was observing.
 - 1.2 The vice chair noted the key papers for discussion:



- B44** Draft Corporate Plan 2021-24
- B45** Asset management strategy update
- B46** Benefits and risks of a group structure for NCH
- B47** Development and regeneration framework - stage reports/approvals

2. B41.20/21 – Apologies for absence

2.1 None received.

3. B42.20/21 - Declarations of interest

3.1 The CEO asked members to note the four declarations of interest:

B43-6 Confidential RC minutes of meeting held on 19 January 2021 - all colleagues had an interest in the annual pay award.

B43-12.20/21 Governance effectiveness review – all board members which was non disqualifying.

B43-15.20/21 Rent uplift proposals – Janice Morgan declared a disqualifying interest.

B47.20/21 Development & regeneration framework - stage reports/approvals - Kevin Ward declared an interest in 157-159 Commercial Street which was non-disqualifying.

Resolutions:

- 1. The board noted that all colleagues had an interest in B43-6.20/21 Confidential RC minutes of meeting held on 19 January 2021.**
- 2. The board noted that all members had an interest in B43-12.20/21 Governance effectiveness review.**
- 3. The board noted that Janice Morgan had a disqualifying interest in B43-15.20/21 Rent uplift proposals.**
- 4. The board noted that Kevin Ward had an interest in B47.20/21 Development & regeneration framework - stage reports/approvals.**

4. B43.20/21 - Digital approvals

4.1 The vice chair confirmed that following noting of the digital approvals already recorded, further discussion could take place as requested by members (set out at paragraph 4.3 onwards). The following resolutions were digitally approved or noted through BoardPacks and met quorum requirements of five members voting/noting:

4.2 B43-1 Board member Q&As

The vice chair advised members that questions, and responses had been uploaded to BoardPack for information.

Digital resolutions:

1. B43-2 The board noted the minutes of the special in camera RC meeting held on 12 November 2020.
2. B43-3 The board approved applying the chair's electronic signature to the minutes of the previous meeting, 17 November 2020, as a true and accurate record.
3. B43-4 The board noted the minutes of the ARC meeting held on 15 December 2020.
4. B43-5 The board noted approval of written procedures B39/20/21 and B40.20/21, distributed on 17 December 2020.
5. B43-6 The board noted the confidential minutes of the RC meeting held on 19 January 2021.
6. B43-7 The board noted the 13 completed and four ongoing matters arising.
7. B43-8 The board noted the Chair & CEO overview.
8. B43-9 Governance - urgent and sealing procedures:
 - The board ratified the six chair's action number 10-15.
 - The board noted the company seal had been used 28 times for numbers 58-79 and 81-86.
 - The board approved the proposed delegations for the chair, vice chair, chair and vice chairs of committees at appendix B43-9.20/21-3.1.
 - The board approved delegating authority to the CEO and company secretary for a further year, to ensure the position of chair was filled appropriately should the delegations set out at in appendix B43-9.20/21-3.1 be exhausted.
 - The board noted the deputies put in place to address the potential absence of a member of the executive team, as set out at appendix B43-9.20/21-3.2.
 - The board noted the change to the second named deputy company secretary.
 - The board noted and agreed the recommendation that a POA was not currently required as alternative working practices had worked effectively to date.
9. B43-10 Governance – RC terms of reference – review:
The board approved the RC reviewed ToR.
10. B43-11 Governance - share membership exercise:
The board noted the total share membership following the November 2020 share membership administration exercise of 104, in accordance with the association's rules.
11. B43-12 Governance effectiveness review 2021:

- The board considered and approved the approach for the 2021 governance effectiveness review, to utilise support from RSM in undertaking an advisory review of the proposed process.
 - The board noted the proposed approach.
 - The board considered and provided feedback on the opportunity of conducting a consultant led independent review for the 2022 process.
12. B43-13 Development and regeneration governance framework - programme tables:
The board noted the development and regeneration programme tables.
13. B43-14 Land for Housing loan acceptance:
- The board approved the signing of the loan acceptance letters for each of the listed schemes.
 - The board approved the completion of a Company Secretary's certificate in the form attached at Annex A for each of the listed schemes.
 - The board approved the issue of draft board minutes, certified by a board member, confirming approval to accept the loan for each of the listed schemes.
 - The board approved the completion of a drawdown notice in the form attached at Annex B for each of the listed schemes.
 - The board approved the signing and sealing of the Legal Charge applicable to the loan funding for each of the listed schemes.
 - The board approved the signing/signing and sealing of any further documents necessary to obtain the Land for Housing Loan scheme funding by the company secretary, and any of the executive directors.
14. B43-15 Rent uplift proposals following January rent workshop:
- The board approved the maximum 1.5% rent increase for 2021–2022; whilst remaining within the overall maximum rent envelope, the increase to be applied flexibly by freezing the rent for all properties with an Unaffordable Living Rent assessment, namely:
 - Rent frozen for 1,680 one bedroom properties and 27 two bedroom properties with an Unaffordable Living Rent assessment, as determined through application of the approved JRF Living Rents method of assessing affordability.

- Rent for all other 6,999 properties with an Affordable Living Rent assessment to be increased by 1.75%, an additional 0.25%.
- The board noted the summary version of the new rent setting policy at appendix 2, which would be published on the association's website and used for communication with residents and external partners.
- The board noted that a review of the timeline and touch points for members on rent setting was taking place, which would enhance opportunities for members to reflect on key financial and affordability considerations ahead of approving the rent uplift for 2022-2023.

15. B34-16 Materials contract approval:

Members noted that a query received was captured and responded to within the Q&A B43-1 uploaded into Boardpacks. **The board approved entering into contract with Robert Price, Plumbase and IES for a five-year period of 3+1+1.**

- 4.3 The vice chair advised that voting item **B43-12 Governance effectiveness review 2021** had received mixed feedback during the digital approval process and asked if members would like to raise this for discussion.
- 4.4 The board chair queried whether the association could take a hybrid approach of options two and three so that the board could receive benefit from an independent adviser, in terms of best practice, learning and reflection, and a peer overview of the transition from physical to virtual board.
- 4.5 A member noted that they had voted against the paper in order to raise the concern that an internal auditor might focus simply on compliance and the board may not gain the added value of external input. However, the member further noted that they had received assurance from the head of governance and compliance (HdofG&C) prior to the meeting, and were comfortable with supporting the proposals, but welcomed discussion.
- 4.6 In response to a member query, the board chair proposed a number of benefits from independent input, including feedback on board skills and strengths, decision making processes, and areas for improvement, and whilst utilising the internal auditor could be positive in terms of their skills sets, there was a risk of losing sight of the wider context and missing out on external peer support.

- 4.7 The CEO responded that the HdofG&C had discussed member feedback on this paper with colleagues and taken account of the range of views. The CEO further noted that the approach recommended in the paper was not a traditional internal audit, which would look at effectiveness, processes and procedures in place, and if members agreed to that approach, consideration could be given to how this fitted in with the annual board self-assessment and whether additional observations by an independent adviser could be beneficial.
- 4.8 A member added that there could be merit in working with the internal auditor in a different way, which was helpful and proportionate, and this could present an opportunity to look at new ways of working.
- 4.9 A member raised a concern about the effectiveness of using an external adviser for board member appraisals whilst in the virtual format and queried whether the appraisals timetable was fixed for March and April or could be moved to later in the year. The HdofG&C advised that the timetable linked into the board member recruitment campaign in spring/summer 2021 and member appraisals would help identify skills gaps and needs.
- 4.10 The vice chair concluded that the hybrid proposals had merit and suggested that the internal audit option was looked at in more detail, with consideration to pushing the dates back if possible and exploring the potential benefits of an external observer as part of the process. **HdofG&C**
- 4.11 A member queried **B43-10 Governance – RC terms of reference** and the omission of trade union (TU) engagement in the work of this committee. The CEO responded that all policies relating to work that required TU engagement already contained this reference, however, this would be taken forward with the RC chair following a risk assessment. **HdofG&C, HdofHR**
- 4.12 The RC chair added that it was implicit that the RC always consulted with TUs when needed and therefore not explicitly mentioned in the ToR. The HdofG&C added that TU engagement was captured within the annual pay award process rather than in the ToR.
- 4.13 A member raised **B43-8 Chair & CEO overview** and queried whether opting out of the special purpose vehicle (SPV) was related to the optimised retrofit work. The CEO responded that it was not, and that the association and partners had decided not to proceed beyond the pilot phase as a result of work only being supported by Welsh Government (WG) loans rather than grant funding.

- 4.14 A member queried at **B43-9 appendix 3.1 chair and vice chair delegations** whether there was an opportunity for members of the RC to attend an ARC meeting, and vice versa, to gain experience should they need to chair these meetings at short notice. The HdofG&C agreed this would benefit members and advised approaching the committee chairs to arrange attendance as observers. The HdofG&C further advised that the delegations at appendix 3.1 were temporarily in place during the Covid-19 pandemic in case there were long-term absences of chair and vice chair. **HdofG&C**
- 4.15 There were no further questions and members noted the digital approvals.
- 5. B44.20/21 – Draft corporate plan 2021-24**
- 5.1 The strategy and business intelligence manager (S&BIM) referred members to the draft corporate plan (CP) key priorities 2021-24 at appendix 1, advising that the full plan was being finalised through engagement with stakeholders, which would inform the draft to board on 30 March 2021. The vice chair commended the summary format for its clarity and asked members for questions.
- 5.2 A member observed that the key priorities document lacked explicit references to health and safety (H&S), the association’s social purpose priorities, and organisational reputation, and asked if these could be drawn out in the summary. The member also noted that carbon tonnes savings were used as a measure of the association’s environmental sustainability objectives, and asked if broader, more tangible measures could be used to show savings.
- 5.3 The S&BIM agreed to look at how H&S could be more explicitly referenced in the summary plan and advised that the association was working towards developing an environmental sustainability strategy which would include additional metrics. The S&BIM concluded that objectives for communications and reputation were detailed in the full CP and could be drawn out in the summary document, whilst social purpose was ongoing work with the headline priority still to be confirmed. **S&BIM**
- 5.4 A member emphasised the importance of organisational reputation, which must not be underestimated, particularly in terms of resident perception and how this could be communicated to the local press and Newport City Council (NCC). The member suggested that standards and culture at the association were very important and could fit well under the ‘strong and effective organisation’ priority in the summary plan.



- 5.5 A member noted that ‘responsible recovery’ would be a key notion as the association moved into a post-Covid environment and presented an opportunity to do things differently by focusing on both organisational and personal responsibility.
- 5.6 A member queried how the association’s ambition for equality, diversity & inclusion (ED&I) could be referenced in the headline priorities, noting that this also linked into social purpose, and responsibility to each other and the community.
- 5.7 The S&BIM confirmed that ED&I was a major theme in the NCH Strategy 2025 and the full CP and agreed that it would be reflected in the headline summary to show it was fundamental to the association’s work. The member responded that it would be helpful to also outline how the association quantified ED&I and social responsibility objectives. **S&BIM**
- 5.8 A member raised a query on B47.20/21 appendix 2, asking how the acquisition and development of 30 retail units and 19 residential units would help to achieve corporate objectives in the NCH Strategy 2025, suggesting the current approach to retail development with residential elements could be more explicitly reflected in the CP. **S&BIM**
- 5.9 A member highlighted the strategic aims under the ‘strong and effective organisation’ priority, specifically that the association would be ‘well run’ and queried how this aim linked to the objectives of developing a sustainability strategy and reducing the carbon footprint.
- 5.10 The S&BIM responded that corporate responsibility on sustainability had been placed under that strategic objective, and development and implementation of an environmental strategy was a key corporate objective for the next two years in terms of the way the association conducted its business.
- 5.11 The executive director of finance and resources (EDoF&R) added that the key priorities and strategic aims were taken verbatim from the NCH Strategy 2025, and were further drawn out into the key objectives, deliverables and measures, which was the golden thread, approved by members in the NCH Strategy 2025.
- 5.12 Following a request from the vice chair, the S&BIM outlined the next steps which were to incorporate feedback into the CP and bring back to board on 30 March 2021. The S&BIM continued that the CP would be used as a key tool to deliver the next year’s activities and confirmed



that members would receive progress updates through the integrated performance report.

5.13 Members approved the draft CP key priorities 2021-24.

Resolution: The board approved the draft corporate plan: key priorities 2021-24 at appendix 1.

6. B45.20/21 – Asset management strategy update

6.1 The deputy director of property and place (DDofP&P) and the head of regeneration (HdofR) referred members to the asset management strategy update and asked for questions.

6.2 A member noted that the document had excellent readability and asked firstly whether the 10 properties mentioned for sale [REDACTED] were individual properties surrounded by private properties, and secondly how the association would ensure that properties sold into the private market would be properly managed.

6.3 The DDofP&P confirmed that properties identified for sale or change of tenure were all individual properties currently classed as long-term strategic voids and not financially viable for the association. The DDofP&P continued that any properties sold into the private market would be in a reasonable condition to mitigate risks, and the preferred option would be to change tenure to private market rent and retain the property where possible, so the local housing stock was improved.

6.4 A member stressed they would not want disposals to go to unscrupulous landlords or end up as multiple occupancy homes. The HdofR provided assurance that this was being addressed through the route map at appendix 2, by looking at inherent risks and exploring all options, including social impact upon neighbourhoods.

6.5 A member noted that in the strategy, as service charge was one metric for scoring REDs, would the renting homes paper and changes to service charges impact upon this, and went on to query the use of social purpose as a scoring metric when it had not been clearly defined yet. The member concluded by asking whether any new acquisitions were affected by the 18-metre rule in the Safe Buildings Wales Bill.

6.6 The DDofP&P confirmed that service charges were being addressed as part of the ongoing service reviews, the results of which would be brought to board. The deputy director of homes and communities (DDofH&C) added that the issue was the ability to collect all service charges, and when the WG provided a decision, an update report



would be presented to the 9 March ARC. The executive director of development (EDofD) also confirmed that all the acquisitions for approval at this meeting were three and four storey properties and not affected by the 18 metre rules.

- 6.7 The DDofP&P went on to respond to the query on social purpose metrics, advising that the strategy had been developed in 2019 and used an older definition based upon soft measures such as proximity to schools, shops, public transport etc, which was different to the wider definitions the association was now looking at.
- 6.8 A member queried NCC's interest in buying some of these properties and the DDofH&C advised that this was due to pressure on housing stock, as an impact of lockdown and Covid-19, and the need to move tenants on from temporary housing and into more secure accommodation.
- 6.9 The vice chair queried whether new acquisitions were considered in terms of where they would sit in the asset management strategy once purchased. The CEO advised that when the development team assessed opportunities using Sequel and net present value (NPV), the costs for bringing a property up to green rating were included. The EDofD added that if any properties did come in as RED, such as those for regeneration in the city centre, the intention would be to move them to green as quickly as possible.
- 6.10 The vice chair queried whether this could be done with other REDs and the CEO confirmed that those currently categorised as RED did not have a financially viable option whereas for new acquisitions a financially viable route had been found.
- 6.11 A member observed that many of the city centre properties were period buildings with possible listed status and restrictions on renovations, and requested board had this information as part of a programme overview, to demonstrate that, whilst expensive, there could be wider and longer-term gains to city centre regeneration. **EDofD**
- 6.12 Members noted progress against the asset management strategy and approved the approach to changing tenures and disposals.

Resolutions:

1. The board noted the progress against the asset management strategy.
2. The board approved the approach to changing tenures and disposals by granting authority to the CEO, EDofOps and the EDofD to approve the specific approach



to the disposal or tenure alteration of properties and any such properties in the future, taken forward through the options appraisal process.

The DDofH&C informed the board about the Senedd decision regarding the renting homes legislation, with a bill passed to apply the solution to the service charge issue and advised that an update paper would be presented to 9 March ARC.

7. B46.20/21 – Benefits and risks of a group structure for Newport City Homes (NCH)

- 7.1 The EDofD referred members to the report and the legal advice from Blake Morgan at appendix 1, which sought in principle, approval for a trading subsidiary that could be actioned when needed, to take advantage of new opportunities, tax efficiencies and savings in internal and external services such as maintenance. The EDofD advised that the Blake Morgan report confirmed that the association had sufficient scope in its existing rules to create a trading subsidiary, and assured members that other housing associations (HAs) had made these changes without a rule change. The EDofD continued that when the association adopted the CHC model rules in 2017, the issue of subsidiaries had been considered and it was felt the objects and powers of the rules allowed this.
- 7.2 The vice chair welcomed the report, adding that the topic had been mentioned several times at board strategic planning days (BSPD) and given the association's financial strength, it felt like the right time to consider the option. The vice chair continued that the development of a subsidiary fitted in with the association's strategic aims and requested members consider whether it was the best way to achieve those ambitions.
- 7.3 A member commented that the report had been discussed at the board touchpoint meeting and would benefit from further consideration at the subsidiary workshop in April 2021, as there was a need to look at the balance between governance oversight and independence. The member continued that the Blake Morgan advice on rules could be a sensible way forward.
- 7.4 The EDofD referred members to section 6.3 of the report which highlighted further considerations for moving forward, noting that this was the first step in the process and options would be explored in more detail at the workshop.



- 7.5 A member suggested that it would be useful to look at the risks and benefits in more detail and to illustrate the options using actual ambitions of the association rather than abstract examples. The member went on to propose postponing the decision in principle until after the workshop, so that more information could be provided.
- 7.6 The EDofF&R responded that the purpose of the in-principle decision was to find out if there was board appetite before further work was actioned, and that the workshop would explore purpose and reasoning, as well as the risks and opportunities of different types of subsidiaries.
- 7.7 The EDofD confirmed, following a query, that no action would be taken, other than researching possibilities, before the workshop was completed and reported back to board.
- 7.8 A member noted that a subsidiary could have a range of uses but there was a need to look at risk and whether this approach was the right one for the association as there was a danger of creating unnecessary bureaucracy. The member continued that the report had mentioned work with lenders, and on-lending clauses would need to be looked at in detail to understand what discussions needed to take place. The EDofF&R confirmed that the association would need consent from lenders if the decision was made to form a subsidiary and advice would be sought from Centrus on the best approach.
- 7.9 A member raised the importance of governance should the association move forward with a subsidiary, and advised against overcomplicating matters with entirely separate boards, as there could be other options such as boards in common. The member concluded that it was key to remain focused on doing core business in the most efficient way.
- 7.10 A member raised, that whilst supporting the core principle, it would have been beneficial to explore alternative options, such as collaboration or utilising other organisation's subsidiaries, noting that the achievement of strategic objectives was the priority and to not form a subsidiary just because other HAs were doing so.
- 7.11 The CEO responded that simplicity was a key strength of the association, with a single board and two committees, however, with the increasing success of the DLO and development programmes, there was a need for further options to allow the association to take advantage of the broadest range of opportunities. The CEO assured members that any new opportunities would always be brought back to board and taking the subsidiary route now would allow the association to respond when the time was right.



- 7.12 The EDofD added that for some opportunities and investments, it could assist the association if they sat within a subsidiary and having this option ready and available would allow the association to move quickly as opportunities arose.
- 7.13 A member responded that whilst not against the proposals in principle, they were not satisfied with the legal advice and broad reasoning presented for not changing the rules. The HdofG&C responded that most HAs did not have rule changes when forming subsidiaries and Blake Morgan had confirmed that a change would not be required, and it was general practice to not have an additional clause.
- 7.14 A member raised that transparency was important and whilst a rule change might not be needed, residents were entitled to know how the association was operating. The EDofF&R responded that the association would need to develop a business case for the regulator and lenders, which could include reference to how residents would be informed of the board's decision.
- 7.15 A member queried whether the recommendation at paragraph 8.1.3 of the report needed to include specifics around the rule change or could this be discussed at the workshop. The EDofD proposed that further legal advice could be sought if necessary and the CEO advised that risks and implications of a rule change could be explored in more depth at the workshop.
- 7.16 Members briefly discussed options around the wording of paragraph 8.1.3 and it was proposed that the words 'without implementing a rule change' would be removed. **EDofD
HdofG&C**
- 7.17 Members agreed the recommendations, subject to the amendment at paragraph 8.1.3.

Resolutions:

- 1. The board noted the risks and benefits of forming a trading subsidiary as outlined within the report.**
- 2. The board considered the risks in forming a trading subsidiary with and without a rule change.**
- 3. The board approved, in-principle, the formation of a trading subsidiary that will be available "on the shelf" ready for use.**
- 4. The board noted that a further paper detailing the governance, resourcing and operation of the subsidiary will be presented at the 18 May 2021 strategic themed board, having held further discussion at the board workshop scheduled for 14 April 2021.**

- 8. B47.20/21 – Development & regeneration framework - stage reports/approvals**
- 8.1 The EDofD referred members to the reports which sought approval for a package deal with MVR Solutions Limited, the purchase of 157-159 Commercial street, additional expenditure on maintenance works, the closure report for Albany Chambers, and a contract variation for Mountbatten Close.
- 8.2 The vice chair requested to note earlier comments regarding the asset management strategy and how this might relate to new acquisitions and then asked for questions.
- 8.3 A member raised the recent flooding at the south end of the city and the need to consider the viability of locations with flooding issues when looking at new acquisitions. The member also queried how the proposed developments related to NCC's plans for regeneration in that area, and whether any of the properties were listed.
- 8.4 The EDofD advised that the development team was working with the conservation officer and hoped to receive property enhancement funds to assist with the works needed. Regarding flooding, the EDofD confirmed that Upper Dock Street had been affected in December 2020, and it was not known if the proposed acquisitions had been affected. The DDofP&P added that recent flooding was thought to be caused by volume of water and problems with drainage.
- 8.5 A member commented that, having visited the area recently, it was clear that whilst the properties presented a good opportunity for regeneration, their condition looked poor and maintenance costs could be high. The DDofP&P advised that properties were reviewed every five years to look at costs and whilst the buildings had some potential challenges, the number of units per property was quite low and the development and regeneration team would bring them up to a good standard before handing these over to the assets team.
- 8.6 A member suggested that development reports to board could benefit from further information on retail rents in the area, business rates, current demand, and better visibility of the actual properties such as detailed plans, photographs and status of the surrounding buildings. As an example, the member asked if reports could have included the length of leases and type of tenancies, the valuation of these properties, potential grant value, the risk if this was not received, and how investment properties aligned with development sites. The EDofD agreed that more detailed information could be included in future reports to aid decision making. **EDofD**

- 8.7 The EDofD responded to a query on the progression of the purchase and grants by advising that costs had been modelled and showed it was financially viable to move forward without grant.
- 8.8 The EDofD responded to a query on what the impact would be to the association should the commercial development fail, by confirming that the association would need to find a new occupier, which had already been modelled on the basis of a £100K reduction in commercial income, with the development still being financially viable.
- 8.9 Members noted, discussed and queried the likely changes to business rates of charging the owner rather than the occupier, the association's total commercial exposure if the proposed acquisition went ahead, its context in relation to other large commercial properties in the city centre and the vacancy rate for the existing property portfolio. Members went on to discuss due diligence, the economic sustainability of traditional retail units and different use of retail space to avoid the risk of empty units and associated liabilities.
- 8.10 The EDofD responded that with the Olympia House development, alternative retail was being explored, with the aim of providing services that residents wanted and needed, thereby creating a different offer in the city centre. The EDofD added that in terms of commercial exposure, there were 11 properties within Olympia House, the [REDACTED] [REDACTED] was being considered, and with Albany Chambers and Commercial Street, the current commercial portfolio was around 3% of turnover, increasing by a further 2.5–3% with proposed acquisitions.
- 8.11 The CEO noted that city centre development also related to reputation, the post-Covid recovery, and the role that the association wanted to play as a leading place maker in Newport.
- 8.12 Members discussed the current levels of retail space, the future vision of a multi-agency high street, with a mix of traditional retail and small independents, and the likelihood of shopping centres reopening later in the year at around 50% capacity. Members went on to discuss services that residents would need such as health centres, leisure spaces, etc, and with the opening of the new four-star hotel, the new Market site development, new leisure centre and Coleg Gwent campus, the future for the city was looking positive. A member also commented they felt there was no feel for the association's total commercial exposure.



- 8.13 The CEO advised members that strategic meetings with the leader of NCC were being reinstated, where some of these points could be raised, and the EDofD and CEO were due to give a presentation to the strategic housing forum in Newport on the association's plans for the city centre.
- 8.14 A member queried if commercial revenue rose to around 6% would this have an impact on the association's credit rating. The EDofF&R advised that following the recent board risk workshop, appetite was around 15% which would also be considered in the business plan.
- 8.15 The EDofD noted a point made as to road access on School Lane in respect of rough sleeping and substance abuse issues, along with current congestion issues from Charles Street, with a suggestion that School Lane would likely benefit from additional surveillance to reduce the highlighted problems.
- 8.16 The CEO thanked members for a beneficial debate and advised that the executive team was considering the need for a commercial strategy and would call on members' knowledge of the city as they moved forward with this work. The CEO went on to note that in terms of issues in the city centre, this would be picked up with NCC and the service board, and a risk assessment conducted on the association's city centre activity. **EDofD**
- 8.19 Following extensive debate and discussion, members approved the recommended acquisitions.

Resolutions:

1. The board approved the package deal proposal with [REDACTED] at [REDACTED]
 2. The board approved the purchase of the properties known as 157-159 Commercial Street from [REDACTED] for the agreed price of [REDACTED] + VAT.
 3. The board approved additional expenditure of [REDACTED] to undertake identified maintenance works.
 4. The board noted the closure report for the Albany Chambers development.
 5. The board approved the contract variation of [REDACTED] for the Mountbatten Close building contract.
9. **B48.20/21 – Any other business**
- 9.1 With no other business received the vice chair closed the meeting at 20:18.

Date of next meeting – 30 March 2021