



## Agenda Item No B17-2.21/22 Board Minutes

Virtual Board Meeting – Wednesday 21 July 2021 17:30

### Present:

#### Members:

|                       |                  |
|-----------------------|------------------|
| Nicola Somerville     | Board chair      |
| Christian Cadwallader | Board vice chair |
| Janice Morgan         | Board member     |
| Kevin Ward            | Board member     |
| Chris Sutton          | Board co-optee   |
| Robiu Salisu          | Board co-optee   |
| Mike Usher            | Board co-optee   |

### In Attendance:

|                     |   |
|---------------------|---|
| Tim Jackson         | Executive director of transformation (EDofT)                    |
| Matthew Davies      | Executive director of development (EDofD)                       |
| Sonia Fuzland       | Executive director of operations (EDofOps)                      |
| Gareth Yeoman-Evans | Executive director of finance & resources (EDofF&R)             |
| Sharon Wilkins      | Deputy director of homes and communities (DDH&C)                |
| Simon Andrews       | Deputy director of property and place (DDofP&P)                 |
| Rachel George       | Head of regeneration (HdofR)                                    |
| Joanna Fairley      | Head of governance and compliance (HdofG&C) & Company Secretary |
| Chris John          | Strategy & business intelligence manager (S&BIM)                |
| Katrina Rigby       | Governance officer (GO)/minute clerk                            |

### Observers:

|                   |                   |
|-------------------|-------------------|
| Anne Wildeman     | Proposed co-optee |
| Samantha Williams | Proposed co-optee |

### AGENDA ITEM

### ACTION

1. **Welcome to board members and observers**
  - 1.1 Following an opportunity for members and observers to meet informally, the chair opened the virtual board meeting at 17:30, welcomed members, Anne Wildeman and Samantha Williams. The chair requested that chat messaging only be used to make the chair aware that a member wanted to ask a question, and not for discussion around papers.
  - 1.2 The chair noted the key papers for discussion:
    - B4** - Board succession planning – renewal of terms of office
    - B5** - Board member succession – recruitment outcomes



**B6** - Board member succession - committee membership, chair and vice chair

**B8** - Qtr 4 integrated reporting and management accounts

**B9** - Financial statements 2020-2021

**B10** - Annual ARC report and internal controls assurance 2020/21

**B11** - Development & regeneration governance - items for approval

**B13** - Disrepair report

**2. B1.21/22 – Apologies for absence**

2.1 Apologies were received from James Tarrant and Ceri Doyle, and to note Guy Stenson would be arriving late. Post note: apologies were received and noted from Guy Stenson later in the meeting.

**3. B2.21/22 - Declarations of interest**

3.1 The head of governance and compliance (HdofG&C) asked members to note the ten declarations of interest:

**B3-3 Minutes of the RC held on 5 July 2021** – all colleagues

**B3-6.21/22 Governance – urgent matters & sealing, appendix 1, Chair’s Actions No 18** – all colleagues

**B3-7 Authorised signatories – update** – leadership team & company secretary

**B3-8 Appendix 2 - 2021 Draft AGM notice** – all members and co-optees - non disqualifying

**B3-10 Community Housing Cymru (CHC) Directors, Officers and Volunteers Indemnity Policy** – all members and colleagues – non disqualifying

**B3-13 Reward and recognition update** – all colleagues

**B4 Board succession planning – renewal of terms of office** – Guy Stenson, James Tarrant & Christian Cadwallader

**B5 Board member succession – recruitment outcomes** – Mike Usher, Chris Sutton, Robiu Salisu, Anne Wildeman and Samantha Williams

**B6 Board member succession - committee membership, chair and vice chair** – all members – non-disqualifying



**B11.21/22 – Development & regeneration governance - items for approval – board chair – non-disqualifying**

**Resolutions:**

1. The board noted that all colleagues had an interest in B3-3 Minutes of the RC held on 5 July 2021.
2. The board noted that all colleagues had an interest in B3-6.21/22 Governance – urgent matters & sealing, appendix 1, Chair’s Actions No 18.
3. The board noted that leadership team and company secretary had an interest in B3-7 Authorised signatories – update.
4. The board noted that all members and co-optees had an interest in B3-8 Appendix 2 - 2021 Draft AGM notice, which was non-disqualifying.
5. The board noted that all members and colleagues had an interest in B3-10 Community Housing Cymru (CHC) Directors, Officers and Volunteers Indemnity Policy, which was non-disqualifying.
6. The board noted that all colleagues had an interest in B3-13 reward and recognition update.
7. The board noted that Guy Stenson, James Tarrant & Christian Cadwallader had an interest in B4 Board succession planning – renewal of terms of office.
8. The board noted that Mike Usher, Chris Sutton, Robiu Salisu, Anne Wildeman and Samantha Williams had an interest in B5 board member succession – recruitment outcomes.
9. The board noted that all members had an interest in B6 Board member succession - committee membership, chair and vice chair, which was non-disqualifying.
10. The board noted that the chair had an interest in B11 Development & regeneration governance - items for approval, which was non-disqualifying.

**4. B3.21/22 - Digital approvals**

- 4.1 The 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 Convene and met quorum requirements of five members voting/noting:

**4.2 B3-1 Board member Q&As**

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

**Digital resolutions:**

1. B3-2 The board approved applying the chair’s electronic signature to the minutes of the previous meeting, 30 March 2021, as a true and accurate record
2. B3-3 The board noted the minutes of the ARC meeting held on 23 June 2021

3. **B3-4** The board noted the minutes of the RC meeting held on 5 July 2021
4. **B3-5** The board noted the seven completed and one ongoing matters arising.
5. **B3-6** Governance urgent and sealing procedures:
  - The board noted the two chair's actions, numbers 18 and 1 since the 30 March 2021 board.
  - The board noted the company seal has been used 36 times for numbers 1-36 since the 30 March 2021 board.
6. **B3-7** The board approved delegating authority to the authorised signatories as named on the specimen signature proforma.
7. **B3-8** AGM 2021 notice and arrangements:
  - The board approved Option 1a – holding a hybrid AGM as set out in appendix 1, subject to discussion at paragraph 4.6 below.
  - The board noted arrangements for the 2021 AGM.
  - The board approved:
    - the AGM draft notice at appendix 2 and AGM voting/proxy form at appendix 3, subject to board approval at B4.21/22 and B5.21/22
    - that any minor amendments required to the notice could be approved by the chair of the board and the company secretary to ensure compliance with the notice period being met
  - The board noted the Scrutiny Partnership's (SP) residents at the heart report would be appended to the AGM notice.
8. **B3-9** Appointment of external auditors:
  - The board considered and recommended the re-appointment of the auditor Bevan Buckland to share members, to vote upon prior to the AGM on 15 September 2021.

The board noted that, subject to approving the re-appointment of Bevan Buckland, a notice of "new" external auditors would be provided to share members 14 days (31 August 2021) in advance of the AGM, as required by the association's rules.
9. **B3-10** Directors, officers and volunteer's indemnity policy:
  - The board noted the content of the report and information provided at appendix 1.
  - The board noted the action that cover for the association under such policy is conditional upon immediate notice in writing to Community Housing Cymru of any claim made

against any person insured by the policy or of the receipt of notice from any persons of intention to make a claim against any person insured by the policy.

- The board agreed that if any board member (present or absent) or senior executive were aware of any such claim or any such notice of intention or of any circumstances or incident which may give rise to a claim he or she would immediately notify the company secretary of the association in order that notice in writing together with all relevant details could be submitted to Community Housing Cymru. Notification of this minute would be made to all board members and senior executives who were required to make necessary disclosure to the secretary.
  - The board noted the additional “top up” policy the association had in place.
10. B3-11 Modern slavery act 2015 – statement:  
The board approved the modern slavery and human trafficking statement for year ended 31 March 2021, the application of the Chair and CEO signatures, and publishing on the association’s website.
11. B3-12.21/22 Safeguarding policy – for approval:  
The board considered and approved the draft safeguarding policy.
12. B3-13.21/22 Reward and recognition update:
- The board approved the RC’s recommendations to:
    - Cease the association’s flexitime scheme policy
    - Cease the association’s facility to buy and sell annual leave.
  - The board noted:
    - the update provided on R&R, presented through the RC minutes and the appended report
    - that the association would no longer operate a ‘Christmas shutdown’.
13. B3-14 Whistle blowing policy:  
The board approved the revised whistleblowing policy, subject to discussion at paragraph 4.3 below
14. B3-15 Risk management framework:  
The board reviewed and approved the risk management framework.
15. B3-16 Half year Development and Regeneration Governance Framework report:  
The board noted the development & regeneration half year report.
16. B3-17 VfM performance monitoring approach report

The board reviewed and approved the proposed VfM approach that would monitor and report performance against the association's VfM framework for 2021/22.

**17. B3-18 Loan facility transition from LIBOR**

- The board approved the amendment agreements in appendices 1 [REDACTED] and 2 [REDACTED] which would be duly signed in line with the association's authorised signatories, with delegated authority to the EDofF&R to make any minor changes required.
- The board noted that entering into the amendment agreements was consistent with the association's approved borrowing strategy
- The board noted that entry into the documents, in accordance with the terms of the documents, was in the best interests of the association
- The board noted that the execution and delivery of each of the documents and the exercise by the association of its respective rights and the performance of its respective obligations under them, would not contravene any provision of the association's rules in any respect
- The board noted the officer's certificate in appendix 3 which would be duly signed and provided to [REDACTED]
- The board noted that minutes in the form of a board resolution were required by [REDACTED] and the draft board resolution documents were included in appendix 4.

**18. B3-19 WoW2 - Culture and defining our values**

- The board approved the association's new values of 'Action', 'Collaboration', 'Trust' and 'Inclusion', supporting commitment statements and 'we will' behaviours and noted that there could be slight changes to the wording as the communication team finalised the language to ensure it was simple and clear.
- The board agreed to progressing with the next steps of the EDI work to develop the six principles into the EDI Strategy and implementation plan that would be presented to board for consideration at the November 2021 meeting.

**19. B3-20 The board noted the Chair/CEO overview.**

**4.3 B3-14 Whistle blowing policy:**

A member noted that the whistle blowing policy had been approved by ARC subject to one proposed amendment, relating to non-executive contact points for colleague concerns, which had been responded to in the B3-1 Board member Q&As, and asked that board agree a specified person ie the ARC vice chair.

- 4.4 The executive director of finance and resources (EDoF&R) responded that ARC members had proposed the ARC chair as a standing member of any whistle blowing panel and advised that the company secretary (CS) could provide a link through to the board for any colleague concerns. Members were requested to confirm whether a specific process and named individuals should be added to the whistle blowing procedure.
- 4.5 Members confirmed the preference for a contact point outside the colleague team, and this should be any board member rather than a specified individual. The EDoF&R confirmed that the policy and process would be updated to reflect this. **IHdofHR**
- 4.6 **B3-8 AGM 2021 recommendations, notice and arrangements:**  
A member observed that whilst two options had been presented for the AGM, option 1b was more inclusive and in light of the association's new EDI policy, recommending option 1a appeared contradictory. Another member noted that although two options were presented only one could be voted upon and asked if there could be a contingency plan that allowed share members to attend if restrictions in Wales were removed on 7 August 2021.
- 4.7 The board chair noted that current advice from Welsh Government (WG) was for venues to conduct their own risk assessments and be guided by these, proposing that the association could plan for both options, complete a risk assessment nearer the time, and amend the notice accordingly.
- 4.8 The head of governance and compliance (HdofG&C) advised that the association's preferred option was 1a, due to uncertainty around the levels of restrictions that may be in place in September, however if members preferred option 1b, plans would be put in place to host a limited number of share members in meeting rooms at Nexus House, where they could watch the AGM on screen.
- 4.9 Members discussed and requested option 1b remain open, alongside option 1a, to be reviewed after 7 August, and that provisions be made for accessibility, digital inclusion, and limited attendance at Nexus House, subject to a satisfactory risk assessment. The HdofG&C agreed to proceed with plans for options 1a and 1b in parallel, with flexibility to amend the AGM notice after 7 August and confirmed that both options allowed attendance via Zoom.



- 4.10 In response to a further question, the HdofG&C advised on the limited capacity at Nexus House.
- 4.11 Members agreed that a final decision be made after 7 August 2021, with delegated authority to the chair and Company Secretary to re-assess options 1a and 1b, make appropriate amendments to the notice and notify members of the final decision. **HdofG&C/  
CoSec**
- 4.12 **B3-11 Modern slavery act 2015 – statement:**  
A member asked if the association was doing enough to address modern slavery and human trafficking (MDS), in terms of legal thresholds, and monitoring contractors and suppliers, asking what monitoring regime was currently in place. The chair responded that this had been explored previously and it was difficult to closely monitor contractors and sub-contractors.
- 4.13 The HdofG&C advised that all MDS cases were reported to ARC for scrutiny, to ensure that adequate processes and systems were in place, and the issue had also been reviewed as a deep dive report. The executive director of development (EDofD) added that potential issues with contractors would be identified by procurement, with all contracts subject to ongoing monitoring, and the HdofG&C provided further assurance that MDS cases were reported at every ARC meeting as part of the compliance statement.
- 4.14 There were no other questions and members noted the digital approvals.

**Christian Cadwallader left the meeting room for the next agenda item, to allow members to discuss renewal of terms of office.**

- 5. B4.21/22 – Board succession planning – renewal of terms of office**
- 5.1 The chair reminded members of the board approval internal process for board members completing their first three-year term and that, if approved by board, the recommended reappointments would be noted by share members at the 15 September 2021 AGM.
- 5.2 Members agreed and approved the re-appointments.

**Resolutions:**

1. **The board approved the re-appointment, for a second, three-year term of:**
- a. **Guy Stenson**
  - b. **James Tarrant**
  - c. **Christian Cadwallader.**



2. The board noted that, subject to approval, Guy, James and Christian's reappointment would be noted by share members at the AGM.

**Guy Stenson made contact with the chair and Company Secretary to advise he had been detained and was unable to attend the meeting. To maintain quorum in his and James Tarrant's absence, board recruitment outcomes were discussed and approved as two cohorts.**

**Robiu Salisu, Anne Wildeman and Samantha Williams left the meeting room for the next agenda item.**

**6. B5.21/22 – Board member succession – recruitment outcomes**

6.1 The HdofG&C confirmed a quorum of six members and referred members to the panel's recommendations.

6.2 A member who had sat on the recruitment panel queried the recommended one-year term for Samantha Williams, when the panel had discussed and agreed a two-year term to provide increased development opportunity asking when it had been changed and why the panel had not been notified. The chair advised there had been further discussions with the CEO and company secretary following the panel meeting, and it had been agreed that all co-optees would be offered the same one-year term, and apologised that this had not been communicated to panel members ahead of recommendations to board. The member confirmed that they were happy to approve the recommendations following the clarification.

6.3 Members approved the recommendations.

**Robiu Salisu, Anne Wildeman and Samantha Williams returned to the meeting room.**

**Chris Sutton and Mike Usher left the meeting room for discussion at 6.4.**

6.4 The HdofG&C confirmed a quorum of five members and referred members to the panel recommendations.

6.5 Members approved the recommendations to appoint both candidates as board members.

**Chris Sutton and Mike Usher returned to the meeting room.**

**Resolutions:**

1. The board approved the appointment of:



- Chris Sutton, as a board member, up to September 2022, completing his first, three-year term of office
  - Mike Usher, as a board member, up to September 2023, completing his first three-year term of office subject to annual appraisal
  - Robiu Salisu, as a co-optee, for a further year, until September 2022
  - Anne Wildeman, as a co-optee for a year, until September 2022
  - Samantha Williams, as a co-optee for a year, until September 2022.
2. The board approved delegated authority for the chair to approve the appointment of the sixth candidate prior to the AGM, based upon the selection panel's recommendation to appoint.
  3. The board noted that all approved board members and co-optees would be added to the AGM notice for noting by share members.
  4. The board noted the selection panel's recommendations utilised the maximum number of co-optees allowed by the rules.
7. **B6.21/22 – Board member succession - committee membership, chair and vice chair**
- 7.1 The HdofG&C referred members to the recommendations for RC membership at paragraph 3.1 and ARC membership at paragraph 3.5, which would come into effect following the 2021 AGM, and the proposal to discuss succession planning of the board chair at 24 November 2021 board. The HdofG&C asked members to approve Christian Cadwallader to continue as board vice chair, with immediate effect and until the 2022 AGM.
  - 7.2 Members approved all recommendations.

#### Resolutions:

1. The board approved the recommendation for RC membership at paragraph 3.1 following the 2021 AGM.
  2. The board approved the recommendation for ARC membership at paragraph 3.5 following the 2021 AGM.
  3. The board noted it would consider succession planning for the board chair at the 24 November 2021 board.
  4. The board approved the recommendation for Christian Cadwallader to continue in the role of board vice chair with immediate effect until the September 2022 AGM.
8. **B7.21/22 – Draft annual report 2020-21**
- 8.1 The strategy and business intelligence manager (S&BIM) referred members to the draft annual report which reported against year one of NCH strategy 2025. The S&BIM advised that if approved the report would be graphically designed and tested with customers, and, following the successful approach last year, two board members would



volunteer to support this work, with approximately one hour of input on testing design and engagement proposals.

- 8.2 Kevin Ward, Robiu Salisu and Chris Sutton volunteered to support the testing process, and the chair commented that the report was succinct, focused and clear, and looked forward to seeing the final product. **S&BIM**
- 8.3 Members approved the draft annual report and all recommendations.

#### Resolutions:

1. **The board reviewed the draft annual report for each strategic priority.**
  2. **The board approved the draft annual report 2020/21.**
  3. **The board noted that subject to approval, the document would be appropriately designed and communicated to customers, colleagues and stakeholders to provide feedback, and board champions for testing.**
  4. **The board noted that an update on customer, stakeholder and colleague feedback would be provided to 24 November 2021 board, along with board champion testing.**
- 9. B8.21/22 – Qtr 4 integrated report and management accounts**
- 9.1 The S&BIM referred members to the report, noting that whilst 2021 had been a year of unprecedented challenge, performance and delivery of key services had remained consistent, with strong performance on landlord health and safety and gas safety compliance, and in spite of a challenging period for rent arrears in the first eight months of the year, the association had ended in a strong position. The S&BIM highlighted some disruption to the capital programme due to the pandemic but refocusing of the programme meant that 70% of planned work was delivered during the year, with catch-up actions planned over the next three years.
- 9.2 The S&BIM continued that 81 new homes had been completed during 2020-21, with 230 homes on site by the year end, and the association was on track to achieve its ambition for 250 new homes in 2022-23. The S&BIM referred members to satisfaction levels which remained consistently at a level below what was hoped, and appendix 6 outlined the actions to address this. The S&BIM highlighted the emerging risk around supply chains and cost of materials, advising the issue remained under scrutiny.
- 9.3 The S&BIM drew members' attention to appendix 5, which proposed a move from triggers reporting to routine performance reporting, due to the significantly reduced threat to service delivery at this stage of the pandemic, with business continuity measures to be scrutinised regularly. The S&BIM also referred to the social purpose look back



report at appendix 7, which used the recently approved framework to consider the five strategic themes by retrospectively applying the methodology and included a summary of social purpose activity at appendix 7.1.

- 9.4 The chair queried why resident satisfaction remained at around 70% despite satisfaction with repairs being high in quarter 1, and that overall satisfaction could be expected to correlate with customers' experience of repairs and maintenance. The executive director of transformation (EDoT) responded that the transformation programme had identified a number of actions to be implemented with the expectation the next few months would see significant changes in service delivery. The EDoT continued that the homes and communities directorate would also undergo a reorganisation and process review, and that digital services would become more accessible, with new Apps and more frontline support to colleagues.
- 9.5 A member observed that whilst resident satisfaction could be higher, given the impacts of the pandemic it was a good achievement to maintain satisfaction at a consistent level.
- 9.6 A member noted that in terms of construction costs as an emerging risk, this was particularly important at this time, with impacts on contractor solvency and increased lead times for supply chain and was likely to have an impact on development.
- 9.7 The chair referred to appendix 3, asking if the end of year development management accounts had been affected by supplier issues. The EDoD responded that there was pressure from contractors, particularly for work that was costed when prices were lower, and the association was looking, on a case by case basis, at what support could be given to local SMEs to help absorb some of the additional costs and ensure that local companies are sustained through this period of uncertainty. A member commented that this had been observed in the West Midlands during the last year, with steel and labour costs much higher over the last 12–18 months.
- 9.8 Members approved all recommendations.

#### Resolutions:

1. **The board reviewed and noted performance for quarter four and the full year 2020/21 at appendix 1.**
2. **The board approved quarter four management accounts at appendices 2.1-2.10.**
3. **The board approved the integrated treasury report at appendix 2.11.**



4. The board approved the development and regeneration management accounts at appendix 3.
  5. The board noted the major issues in the association's operating and risk environment and the major risks and related controls at appendix 4.
  6. The board approved the proposals for the discontinuation of the triggers reporting approach at appendix 5.
  7. The board noted the update on key actions to improve customer satisfaction at appendix 6.
  8. The board noted the social purpose annual lookback at appendix 7.
- 10. B9.21/22 – Financial statements 2020/2021**
- 10.1 The EDofF&R referred members to the reports, which were subject to external audit and scrutinised by ARC on 23 June 2021, drawing attention to paragraph 2.2, which outlined the key changes to the draft statements since the ARC meeting. The EDofF&R confirmed there had been no material changes, only further work on disclosures, and, at the request of ARC, the statements now incorporated reference to the treasury management policy. The EDofF&R explained that ARC members requested a reserves policy be considered, and, following discussions with members, an approach had been agreed under the treasury management policy, which covered the golden rules, liquidity and cash.
  - 10.2 The EDofF&R gave assurance on the increase in pension liability, confirming it had no impact on cash, loan covenant compliance or future employer contributions and was an accounting estimation that only impacted upon reserves. The EDofF&R reminded members that involvement in the local government pension scheme (LGPS) brought some risks, which were reviewed annually by RC, and would be reported to RC as part of the triannual valuation in the R&R review in 2022-23. Before taking questions, the EDofF&R referred to the internal controls outlined in the report which would be monitored by ARC.
  - 10.3 The chair asked if the new pension and savings offer being explored by the association would have an impact similar to the LGPS. The EDofF&R confirmed that the key difference between the LGPS and a defined contribution (DC) scheme was that liability for LGPS underperformance was the employer's responsibility, and underperformance of a DC scheme affected the employee and what they received.
  - 10.4 Members noted and approved the recommendations.

#### **Resolutions:**

1. The board noted the report and approved the management response in section 4.2.



2. **The board recommended for approval at 15 September 2021 AGM:**
    - the draft financial statements for the year ended 31 March 2021
    - the audit findings report
    - the letter of representation
  3. **The board approved the financial statements for the year ended 31 March 2021 to be signed by board chair and company secretary.**
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11. **B10.21/22 – Annual ARC report and internal controls assurance 2020/21**
    - 11.1 In the absence of the ARC chair, the S&BIM referred members to the report, noting that it provided an annual review of work undertaken by ARC during 2020-21 and aimed to provide assurance that internal controls were in place and operating effectively. The S&BIM drew attention to the internal audit report at appendix 1, which concluded there was an adequate and effective risk management framework in place, with assurance against the risk management system referenced at paragraph 5.5 and targeted in-depth risk reviews referenced at paragraph 8.2. The S&BIM asked members to note the asset and liability register at appendix 2, annual assurance framework at appendix 3, which listed all major sources of assurance, the scrutiny partnership (SP) residents at the heart report at appendix 4, and the annual H&S assurance report at appendix 5.
    - 11.2 An ARC member confirmed that the report was comprehensive, reflecting the very full agenda over the past year, and hoped that it provided good assurance to the board on the work undertaken.
    - 11.3 There being no questions, members noted the annual ARC report, and approved the asset and liability register and SP residents at the heart report.

**Resolution:**

1. **The board noted the Annual ARC report and internal controls assurance 2020/21 at, appendices 1 & 3.**
  2. **The board approved:**
    - **The Assets & Liabilities report at appendix 2**
    - **The Scrutiny Partnership’s ‘Residents at the Heart’ at appendix 4**
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12. **B11.21/22 – Development & regeneration governance - items for approval**
    - 12.1 The EDofD referred members to the stage approval reports for three schemes and advised that each report would be taken separately for questions and approval. The EDofD commenced with the Cardiff Road scheme at appendix 1, which was a development of five homes, piloting an insulated concrete formwork (ICF), which was a modern method of

construction (MMC) to increase thermal mass and air tightness. The EDofD continued that the scheme would be delivered by [REDACTED]

- 12.2 The EDofD advised members there was a contingency in each scheme appraisal that could be used to absorb price fluctuations, as reflected in the total scheme costs quoted with each recommendation, and if approved by board this would allow the contingency amount to be used if necessary.
- 12.3 The chair queried the costings as there appeared to be a slight discrepancy between the cost breakdown at paragraph 8.2, totalling [REDACTED] and the total scheme cost of [REDACTED] at paragraph 8.3. The chair also asked if the ICF would be mortgageable and have a lifetime guarantee.
- 12.4 The EDofD confirmed that the higher figure at paragraph 8.2 was correct, apologising for the error in paragraph 8.3 and advised that the concrete formwork was a BBA certified system, which might not be accepted for use as security, but was being piloted with just five units so that its suitability could be assessed.
- 12.5 The chair noted the SAP ratings and asked if the homes would be enhanced to support the association's carbon neutral and sustainability aspirations. The EDofD confirmed that the homes would achieve EPCA using MVHR and electric heating, and the thermal mass of the concrete would provide a cooling effect in summer and warmth in winter.
- 12.6 A member agreed that this was an ideal scheme for testing a new MMC, being much smaller than the other two proposed schemes, and also thanked the EDofD for the new format report which provided all information requested including maps and plans.
- 12.7 A member asked about insolvency risk, which was mentioned in the [REDACTED] but not in the other two proposals. The EDofD confirmed that the Usk Way scheme would have a parent company guarantee (PCG), in lieu of a performance bond (PB), the [REDACTED] scheme would have either a PCG or PB, and these were always part of any development contract with the association.
- 12.8 In response to a question about mortgage type for these properties, the EDofD confirmed these would be mortgages with lenders rather than domestic mortgages, as the homes at Cardiff Road would be social



rent, however, case studies suggested that the properties should be suitable for domestic mortgage and once complete, the association could ask a valuer to explore this.

- 12.9 The chair asked about the performance indicators when piloting and evaluating this construction method, the EDofD responded that the main criteria was cost, quality and time, and whilst case studies from other areas were favourable, it was important to test the system locally to evaluate potential problems or gains for the association. In response to a further question, the EDofD confirmed that no special skills were required for long term maintenance as the only difference was the fabric of the buildings, and the proposed heating and hot water systems were electric as with the Longmeadow and Mountbatten developments.
- 12.10 There being no other questions, the EDofD presented the Usk Way proposal for a package deal with [REDACTED] to develop 122 flats on the banks of the River Usk. The EDofD drew members' attention to the costs within the package price and the total scheme cost for approval, which included the contingency amount. The EDofD referred to risks highlighted in the report and a programme delivery plan meeting with Newport City Council (NCC) the previous day where NCC indicated support for some tenure neutral properties in that location as well as mixed tenure.
- 12.11 The chair queried the inclusion of maisonette properties within the development given that the association had recently demolished a number of maisonettes due to poor viability. The EDofD responded that location was an important factor in viability and the demolished units were a very different offer, in poor condition, in comparison to the new scheme which offered new build properties with higher density and in a prime city centre location.
- 12.12 The chair noted that customer feedback on maisonettes had previously been negative, with concerns that these properties were not suitable for modern families. The deputy director of homes and communities (DDofH&C) responded that location and condition were key, with the recent demolition of the maisonettes in Mountbatten Close primarily taking place because of poor property condition and the [REDACTED] being subject to regeneration plans for the Ringland shops. The DDofH&C continued that it was not the property type per se that caused low demand, rather the quality and ensuring the right location with the right mix of tenures and customer base.



- 12.13 The chair queried the difference in the package price and total scheme cost, the EDofD confirmed that the higher cost included the contingency and was the figure for approval by board. The EDofF&R added that approving the total scheme cost allowed the signing and sealing of documents up to and including the contingency amount without the need for additional approvals by board.
- 12.14 A member asked if there were opportunities for the association to promote the social and environmental benefits of new schemes, so they were clear to communities and stakeholders. The EDofD responded that the Usk Way scheme would be an EPCA building, on a previously derelict site, in close proximity to the Old Town Dock (OTD) development, with community benefit contributions that could be publicised.
- 12.15 A member responded that with the large financial investment of over [REDACTED], the language around EPCA needed to be explained clearly to promote the impact of the association's work in Newport. The EDofD agreed that the importance of achieving low carbon homes needed to be clear in all publications.
- 12.16 A member commented that the scheme proposed 122 homes, plus a commercial unit, whilst existing planning was for 93 residential units, and asked what mitigations were in place if planning permission was not granted for the higher number of units. The EDofD assured members that the purchase would not go ahead unless planning permission was granted, and the increased density was necessary to ensure financial viability for the vendor.
- 12.17 There being no other questions, the EDofD presented the proposal for the land banked OTD site, consisting of a mixed tenure scheme of 149 flats to be developed by [REDACTED]. The EDofD advised members that a pre-contract service agreement would be entered into, for further design work, and the development team had worked closely with [REDACTED] to maximise early contract involvement and explore the use of timber frame modular construction. The EDofD continued that the scheme included one commercial unit and also benefited from the Costa Coffee development at the site entrance. Before taking questions, the EDofD asked members to also approve the signing and sealing of all associated documents, for the three proposed schemes, and for this to be recorded in the minutes and resolutions.
- 12.18 The HdofG&C asked members to also approve the corrected figures for Cardiff Road and advised that this would be recorded in the resolution for that scheme.

- 12.19 Members acknowledged the need for the contingency amounts, noted the positive progress on city centre development, and stressed the importance of building relationships with contractors during a challenging time.
- 12.20 Members approved the three schemes, including total scheme costs and delegated authority to sign and seal all associated documents.

### Resolutions:

1. The board approved the package deal proposal with [REDACTED] at Cardiff Road for the package price of [REDACTED] (total scheme cost [REDACTED]), and to delegate authority to the CEO/Executive Directors to sign/sign and seal all necessary documents associated with the contract.
  2. The board noted and approved the cost breakdown of [REDACTED] at paragraph 8.2 and the error of [REDACTED] at paragraph 8.3 for resolution 1 above.
  3. The board approved the acquisition of the site at Usk Way, Newport (Jacks Pill) for [REDACTED] and entering into a deferred package deal with [REDACTED] for the overall package price of [REDACTED] (total scheme cost amounting to [REDACTED]), and to delegate authority to the CEO/ Executive Directors to sign/sign and seal all necessary documents associated with the contract.
  4. The board approved the association entering into a Pre-Construction Services Agreement (PCSA) for [REDACTED] prior to entering into contract with [REDACTED] [REDACTED] for proposed development at Old Town Dock, for [REDACTED] with a total scheme cost of [REDACTED] and to delegate authority to the CEO/ Executive Directors to sign/sign and seal all necessary documents associated with the contract.
  5. The board noted that where conflicts have been identified they have been managed appropriately, transparently and in a proportionate manner.
13. **B12.21/22 - Asset management strategy incorporating regeneration**
- 13.1 The head of regeneration (HdofR) referred members to the report, outlining that appraisals of the association's lowest performing stock had been carried out in accordance with the asset management strategy, and sites for consideration were [REDACTED]
- 13.2 The HdofR explained that work included condition surveys, resident engagement, developing options for regeneration or refurbishment, providing costings, and looking at viability, with costs presented for the

worst-case scenario, including re-housing, homeowner buybacks, and refurbishment of leasehold homes. The HdofR continued that the [REDACTED] carried significant land costs including buy backs, customer moves, demolition, meeting zero carbon, and issues around drainage on the site.

- 13.3 The HdofR drew members' attention to the financial viability of the [REDACTED]. The HdofR continued that the priorities set out in NCH Strategy 2025 were key to considering the proposed approaches, including the building of 250 properties per year, decarbonisation and investing in homes.
- 13.4 The HdofR advised that the options appraisals provided a preferred option, detailed the opportunities, risks, and the outcomes of resident engagement activity, and asked members to approve the direction of travel so that further work could be conducted via the DRGF and stage approvals process.
- 13.5 The chair observed that the areas under consideration were significantly run down, with many homes boarded up due to poor condition, which impacted upon the community, and taking a proactive approach to improving housing standards would be beneficial to all residents.
- 13.6 A member stressed the importance of maintaining the existing community in these areas and avoiding mistakes that had been made in the past such as re-locating residents to other areas. The HdofR confirmed that any regeneration or refurbishment options would give residents the choice to stay in the area with work being conducted on a rolling basis to reduce disruption to the community. The chair agreed that whichever options were progressed, resident choice must be fundamental, and if there were other housing providers in these areas this could also extend the local options for re-housing.
- 13.7 A member noted that communication with residents would be key to this work and noted that the [REDACTED] newsletter, at appendix 5, was excellent with clear explanations, reassurance, and direction of travel.
- 13.8 A member asked if a show home would be provided for residents to view, and the EDofD responded that modular options were being explored for [REDACTED] and a show home could be provided to assist in managing resident expectations. In response to a further question the HdofR confirmed that residents would be provided with practical

assistance to move home, as well as financial compensation for affected homeowners and residents.

- 13.9 A member noted that the [REDACTED] proposal referenced previous attempts to improve properties in this area that had been unsuccessful and asked what lessons had been learned. The HdofR advised that the work itself was not unsuccessful, having addressed wall insulation and roofing, however there had been ongoing issues with rising damp. The deputy director of property and place (DDofP&P) added that damp and mould were a significant issue due to the topography of the site, with low land levels, rivers nearby and poor drainage.
- 13.10 A member asked how the proposals linked into the 30-year business plan (BP) and what the time frame would be. The EDofF&R responded that board had approved the BP in March 2021, which included budget for major repairs on existing homes, a small element for decarbonisation, development of new homes and regeneration. The EDofF&R continued that national policy was changing rapidly in terms of decarbonisation and delivery of social rented low energy properties, and it was proposed that the board receive a report in November based upon the options appraisals and ongoing work on the decarbonisation roadmap, to outline the broader impacts on the BP in terms of capacity, to gain members' views on prioritising work in each area. **EDofF&R**
- 13.11 The EDofF&R continued this would feed into the treasury and funding strategy, how the association engaged with customers and communities on the regeneration schemes, and how the association would meet the WG decarbonisation agenda. The EDofF&R added that financial information would then be gathered and brought back to board with firmer costings and a longer-term plan in March 2022. **EDofF&R**
- 13.12 The chair commented that it was essential to reflect on lessons learned from the [REDACTED] regeneration scheme and ensure that expectations were well managed with both the contractor and the community. There being no further questions, members approved all recommendations.

#### Resolutions:

1. The board noted the progress of the options appraisals.
2. The board approved the approach to the options appraisals in the areas as set out in paragraphs 6.1 – 6.4. Specifically, that:
  - Work continue immediately to explore regeneration of the [REDACTED] through the D&RGF processes
  - Work continue immediately through the D&RGF processes to explore the regeneration of:  
[REDACTED]



3. **The board approved that the association review all other areas and their preferred options as part of business planning for 2022.**
14. **B13.21/22 – Housing conditions and disrepair – response to WG**
- 14.1 The executive director of operations referred members to the report and explained that ITV had investigated issues of damp and disrepair in England, where there had been concerns around landlords' failure to address these. The EDofOps noted similarities to the Grenfell tragedy where customer concerns were repeatedly raised but not addressed and advised members that WG had written to all HAs in Wales asking for written assurance on handling of customer complaints, actions to address damp and mould, and escalation procedures. The EDofOps continued that the report offered a summary of the association's approach, including the customer complaints process, use of learning panels, and history of disrepair claims, and outlined the improvements in processes and actions to strengthen the controls in place.
- 14.2 The chair noted that it was a thorough report which highlighted that whilst the association did not get things right every time, processes were in place and customers had the right access points to raise concerns. The chair continued that it could be beneficial for WG to look at which HAs needed increased investment to bring properties up to standard, as some may not have financial resources to complete the work.
- 14.3 A member raised that in the list of actions at paragraph 9, point (d), there was a review of effectiveness, and asked what the timescales would be for that work and whether it could be expedited. The DDofP&P responded that work should be completed by the end of the financial year, although difficult to give a specific date due to further actions being identified as the work progressed. The EDofOps added that this would be monitored as part of delivery of the directorate plan and the S&BIM confirmed that ARC would also be able to request a progress report.
- 14.4 A member queried the inclusion of customer addresses in the summary of disrepair claims and the HdofG&C confirmed that this had been requested by WG and the report was considered to be confidential.



- 14.5 Members were satisfied with the assurance provided and noted the report.

**Resolutions:**

The board noted the report and was satisfied that it could provide WG with assurance that the association had:

- appropriate systems, processes and monitoring in place to ensure that, when complaints were received, they were fully investigated and acted on, and that there were robust escalation mechanisms in place
- systems in place which identified where there may be links between multiple claims of damp and mould over time, in order that any underlying issues could be identified and acted upon
- procedures in place to monitor and manage disrepair claims
- identified additional work required to fill any assurance or monitoring gaps in relation to the management of damp and mould in customers' homes

**15. B14.21/22 – Any other business**

- 15.1 A member drew attention to the NCC decision to enter the bidding process for UK City of Culture 2025, by submitting an expression of interest, and asked if the association would be providing a formal letter of support. The EDofT confirmed that the association would indicate support and provide more vigorous support as the bid progressed. The EDofOps added there had been a very tight timescale between receipt of communications from NCC and the deadline for the initial bid, so practical support could not be offered for the expression of interest, however the association was wholeheartedly behind the bid and would give “in principal support”.
- 15.2 The chair took the opportunity to extend sincere thanks to Janice Morgan, who would be retiring from the board at the September AGM, highlighting the time, energy, commitment, enthusiasm and unwavering support that Janice had given the association and its customers, including being a strong advocate for local communities during board discussions.
- 15.3 Janice thanked members and officers for the bouquet of flowers received that day and thanked everyone for their support over the last four years and as chair of the RC. Janice continued that it had been a privilege to be a board member for the association, observing that the board was growing in strength and skills and emphasised the importance of ensuring the board always had members with knowledge and understanding of the communities served.



- 15.4 The chair thanked Janice for everything that she had done for the association and added that she would be sorely missed. There being no further business the chair thanked all attendees for their contributions and closed the meeting at 19:36.

**Date of next transactional meeting - 24 November 2021**