

Agenda item no: B17-1.24/25 – CRD 1

Board minutes

Board meeting – Virtual – Wednesday 27 March 2024

Present:

Members

Lynda Sagona	Board chair
Christian Cadwallader	Board vice chair
Guy Stenson	Board member
Chris Sutton	Board member
Jenifer Baxter	Board member
Mike Usher	Board member
Dale Walker	Board member
Sarah Croft	Board member
Kevin Ward	Board member

In attendance:

Ceri Doyle	Chief executive officer (CEO)
Gareth Yeoman-Evans	Executive director of finance & resources (EDofF&R)
Sonia Furzland	Executive director of operations (EDofOps)
Matthew Davies	Executive director of development (EDofD)
Joanna Fairley	Deputy director of governance & company secretary (DDofG&CS)
Sophie Taylor	Director of finance & procurement (DofF&P)
Chris John	Strategy, performance & risk lead (SP&RL)
Julie Summerhayes	Deputy director of people (DDofP)
Ben West	Governance & compliance officer & minute secretary (G&CO)

Observers:

Nazrul Islam	Pathway to Board (NI)
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	AGENDA ITEM	ACTION
1.	Welcome to board members	
1.1	The chair opened the meeting at 17:31, welcoming members and Nazrul Islam, as an observer to the meeting.	
2.	B42.23/24 – Apologies for absence	
2.1	Apologies were received from James Tarrant and Andrew Gregory.	
3.	B43.23/24 – Declaration of interest	
3.1	The following non-conflicting interests for members and colleagues were noted: <ul style="list-style-type: none"> B44-2.23/24 – Ratification of urgent written procedures – [REDACTED] B44-4.23/24 – Annual pay award – Officers B44-6 – Board member remuneration and supporting documentation – Members B44-7 – Schedule 1 exemption – recognition schemes – Officers 	

- B45-2 New organisation Group Chief Executive recruitment approach and delegations – CEO

4. B44-1.23/24 – Digital approvals

- 4.1 The chair confirmed the following resolutions were digitally approved and noted through Convene and met quorum requirements of five members voting.

Digital Resolutions

1. B44-1.23/24 Board standard voting report

- The board approved the minutes of the last meeting dated 29 November 2023 as a true and accurate record
- The board noted the four completed matters arising following the 29 November 2023 board
- The board approved the minutes of the special board meeting held on 13 February 2024 as a true and accurate record
- The board noted the minutes of the ARC dated 14 December 2023, which were subject to ratification by the committee at its next meeting
- The board noted the minutes of the CCC dated 17 January 2024, which were subject to ratification by the committee at its next meeting
- The board noted the minutes of the CCC in-camera meeting held on 17 January 2024
- The board noted the two chair's actions, numbers 12 and 13 since the last meeting
- The board noted the company seal had been applied since the last board meeting 45 times for numbers 67-111
- The board ratified the amendment made by the company secretary to the financial regulations and scheme of delegated authority

2. B44-2.23/24 – Ratification of urgent written procedures

- The board ratified B37-2.23/24 – Approval of Increased Costs and Issue of Confirmation Notice to [REDACTED]
- The board ratified B37-2.23/24 – Approval of the creation, membership, and Terms of Reference (ToRs) of the proposed Merger Joint Programme Board
- The board ratified B40.23/24 – [REDACTED]
- The board ratified B41.23/24 – approval of four [REDACTED] loans, delegating authority to the CEO, executive directors & company secretary as authorised signatories to execute all related loan documents and to note the update provided in the report on unsuccessful applications

3. B44-3.23/24 – Annual Governance reporting

- The board noted the previously approved schedule 1 exemptions and chair's actions reported for the financial year ended 31 March 2024, detailed at appendix 1

- The board approved delegating authority to the DDofG&CS to add any further additions to the schedule 1 exemptions between the dates of 20-31 March 2024 inclusive, noting any additions would be reported at the next board meeting
 - The board approved the proposed delegations for the board chair and vice chair, chair, and vice chairs of the committees at appendix 2
 - 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 2 be exhausted
 - The board noted the deputies put in place to address the potential absence of a member of the executive team, set out at appendix 2
 - Noted no changes to the named company secretary and deputy company secretaries
 - The board noted no change to the signing and sealing process for 2024/2025
 - The board noted no new recommendations for the Power of Attorney
 - The board noted the share membership number for 2024 of 77
 - The board approved the WG & Lenders' specimen signature proforma, which would be noted in the minutes of the meeting
 - The board approved delegating authority for the CEO, executive directors, the director of finance & procurement (DofF&P) and company secretary to approve WG loan/funding applications
4. B44-4.23/24 – Annual pay award
- The board noted the 5% annual pay award for colleagues, in line with the agreed pay approach, effective from 1 April 2024, subject to budget being approved by board
 - [REDACTED]
 - The board approved the recommendation from the CCC of the proposed 5% annual pay award be applied in the same way as colleagues in the association to the CEO and executive directors, effective from 1 April 2024
5. B44-5.23/24 – Policy review
- The board reviewed and approved the:
 - Anti-bribery policy
 - Anti-money laundering policy
 - Fraud policy
 - Whistleblowing policy
 - Health Safety & Wellbeing policy
 - The board approved the CCC recommended reviewed Code of conduct policy and board member protocol, subject to changes being delegated to the DDofG&CS
 - The board noted that no review would be undertaken to the Share Membership Policy during merger due diligence

6. B44-6.23/24 – Board member remuneration and supporting documentation review

- The board approved the CCC recommendation to increase the remuneration level of the board chair only, by making a small adjustment of an additional £350 to reflect and align with the benchmarking, for implementation from 1 April 2024
- The board approved the combined remuneration & expenses policy for non-executive board and co-opted members, together with updated role profiles, subject to approval implemented from 1 April 2024

7. B44-7.23/24 – Schedule 1 exemption – recognition schemes

- The board approved the recommendation from the CCC of the Schedule 1, exemption 7 as outlined at 5.1 and 5.2 and delegations to NCH Managers for the Managers Recognition Scheme and NCH Executive Directors and CEO for the NCH Monthly Recognition Scheme

8. B44-8.23/24 – Chair/CEO Overview

- The board noted the Chair/CEO overview for March 2024

- 4.2 The chair outlined the digital approvals, highlighting board approval of B44-3.23/24 WG & Lenders' specimen signature proforma, before asking members for any questions relating to the digital voting reports.

Sarah Croft joined the meeting at 17:37

- 4.3 Responding to a member's query on the B44-4 Annual pay award report, the EDofF&R explained that the association applied a moderated approach, which would reduce the number of colleagues outside of the median pay policy from 86 to 3 by next year.

Dale Walker joined the meeting at 17:41

- 4.4 The DDofG&CS thanked a member for their recent meeting to discuss timings within the B44-5.23/24 Board member protocol. The board recognised that timings within the protocol were indicative and approved delegating to the DDofG&CS to make the addition of a statement within the protocol to provide greater clarity. **DDofG&CS**

- 4.5 The CEO provided a background to the Renting Homes Wales Act (RHWA) and Electrical Installation Condition Reports (EICRs) that was causing concern in the sector, before describing the legal advice and proactive work of colleagues

4.6

[REDACTED]

4.7

[REDACTED]

4.8

[REDACTED]

4.9

[REDACTED]

Resolutions:

1. The board approved the addition of a statement into the B44-5.23/24 Board member protocol to clarify indicative timings.

[REDACTED]

5. B45-1.23/24 Merger Update: Standstill and Data Sharing Agreement

- 5.1 The CEO informed members that the merger was progressing well and presented the Standstill Agreement and Data Sharing Agreement to board who approved delegating both documents to the CEO for signing.

- 5.2 The CEO discussed the original approach to merging with Melin Homes and explained that following further legal and treasury advice, both associations were now considering a [REDACTED]

[REDACTED], alongside an

- 5.3 The board noted the Draft Heads of Terms, Partnerships Options report, and Initial Treasury Findings, and the CEO advised that, following further consideration from the Programme Steering Group (PSG), the Joint Programme Board (JPB) anticipated delivering a recommendation on the preferred partnership option at a special board meeting on 8 May 2024.

Resolutions:

1. The board approved the Standstill Agreement and delegated to the Chief Executive for signature
2. The board approved the Data Sharing Agreement and delegated to the Chief Executive for signature
3. The board noted the Draft Heads of Terms
4. The board noted the [REDACTED] Partnership Options report
5. The board noted the [REDACTED] Initial Treasury Findings

6. **B45-2.23/24 New organisation Group Chief Executive recruitment approach and delegations**
- 6.1 The DDofG&CS presented the report and with no questions raised, members noted the recruitment process update and approved the selection panel and delegations.

Resolutions:

1. The board noted the update given on the recruitment process to date
2. The board approved the membership of the selection panel
3. The board approved the delegations to the panel to:
 - undertake the recruitment process, receiving feedback from the Customer and Cultural Panels
 - report to the board the outcome of the process for approval

7. **B46.23/24 – Q3 Integrated report**
- 7.1 The SP&RL introduced the quarter three integrated report that focused on the colleague journey and drew attention to stabilising economic turbulence, the effects of local and national government budgets, and [REDACTED]

- 7.2 Noting the percentage change was relatively small and acknowledging the impact of the cost-of-living crisis, a member commented on the downward trend of customer and community satisfaction. The SP&RL discussed satisfaction targets, reminded members that satisfaction was a core focus of the association's change programme, and reflected on data that was comparable with landlords across core cities, with the Corporate Plan maintaining the association's customer focus.

- 7.3 The EDofOps explained that variance within 5% was an acceptable tolerance and discussed the conclusion of the property and place restructure that was making progress in delivering positive change to the repairs service. Commenting on the use of benchmark scoring, the EDofOps discussed the importance of transactional data, acknowledged the challenges, and reminded members that the benefits of change could take 12 – 18 months to fully materialise and the association would continue to pursue improvements to its complaints approach.
- 7.4 Following a member query, the SP&RL defined online transactions as interactions through the association's app or email that resulted in full delivery of a service and confirmed that the app had 2,000 users since its end of quarter launch, with expectations of continued growth.
- 7.5 Members discussed the value of transactional data as a timelier and more relevant source and whether repairs satisfaction was a more meaningful metric, whilst a member alerted attendees to the risk of false post-merger perceptions. The EDofOps confirmed there was opportunity during merger engagement to review customer satisfaction and ensure the KPI remained fit for purpose.
- 7.6 A member asked if the presentation of the development programme completion data could be enhanced to better represent the flow of homes through the development pipeline and highlight performance against the strategy. The SP&RL thanked the member for the feedback, which would be reviewed for the following board meeting. **SP&RL**
- 7.7 Commenting on the interesting report, a member discussed the positive colleague journey and the variance between new and existing colleague engagement scores. The SP&RL confirmed the association was seeking to fully understand the differences, observing the correlation between colleague turnover and service length.
- 7.8 The CEO highlighted successful structural and management changes, along with the association's values and STRIVE management programme that were positively impacting engagement and providing better support for colleagues across the association.
- 7.9 A member discussed the potential disconnect between ethnic minority applications and the awarding of posts, and the SP&RL provided additional data, advising it was best to review statistics over a sustained period. The SP&RL went on to discuss the potential for unconscious bias and the EDofF&R outlined actions and improvements made to representation and recruitment, highlighting the reporting mechanisms for progression through the People Plan and D&I strategic commitment.

- 7.10 The DDofP responded to a member's query, confirming that the association only offered guaranteed interviews for disabilities, and the CEO described the association's ambition to raise awareness of housing in underrepresented communities, confirming that ethnic minorities were underrepresented across all levels of the sector.
- 7.11 The chair congratulated colleagues on a reduction in void turnaround time and asked if the reported [REDACTED]
- 7.12 Reviewing the comparative lettings to alleviate homelessness data, a member examined the association's below average scoring and the SP&RL responded by explaining the sector average was skewed by Cardiff based RSLs, which had seen a significant rise in homelessness housing allocations from their local authority.

Resolutions:

- 1. The board reviewed and noted the performance at appendix 1**
- 2. The board approved the management accounts at appendix 2**
- 3. The board approved the treasury report at appendix 3**
- 4. The board noted the development and regeneration programme dashboard at appendix 4**
- 5. The board noted the major risks: key concerns and key controls at appendix 5**
- 6. The board noted the progress against the change programme at appendix 6**

8. B47.23/24 – Annual budget report

- 8.1 The DofF&P introduced the Annual budget report that followed the format presented for discussion at the Strategic business planning workshop. The DofF&P described the high-level assumptions forming the budget and drew attention to the rise in income and expenditure from the rent uplift, annual pay award, revised contractor rates and WHQS requirements.
- 8.2 The DofF&P went on to outline further increases in capital expenditure, driven by significant growth in grant income, before explaining the association's balance sheet position and the monitoring of delivery risks under the Risk management framework.

Resolution: The board approved the budget for the year ending 31 March 2025

9. B48.23/24 – Business plan 2024/54

- 9.1 The DofF&P presented the Business Plan to members, highlighting changes following the Strategic business planning workshop, which

included revisions to the development programme to effectively manage capacity that was reporting a lower short-term surplus.

- 9.2 The DofF&P set out the economic assumptions, following advice from both treasury and risk advisors, [REDACTED] and [REDACTED] which would be kept under review with material changes reported to board.
- 9.3 Commenting on the ten-year asset management programme, with costs related to WHQS requirements, the DofF&P confirmed the association was constructing a fully costed decarbonisation road map, with modelled assumptions included in the current plan.
- 9.4 The DofF&P continued their report and drew attention to the development and regeneration unit delivery graph, displaying the disbursement of homes across a ten-year period to reach the targeted delivery of 2,500 homes.
- 9.5 Concluding the report, the DofF&P highlighted operational Value for Money (VfM) efficiencies, funding adjustments in line with the development programme, and scenario testing that maintained covenants, only breaching the EBITDA MRI golden rule in two scenarios, demonstrating the plan's resilience.
- 9.6 The DofF&P informed members of the association's intention to report its updated treasury strategy at the next board meeting, providing consideration to the association's liquidity management.
- 9.7 A member asked if funders were comfortable with the decarbonisation modelling, whilst the association developed its fully costed road map and the DofF&P rationalised that it did not present a current barrier and the association would need to consider its position when planning for new sources of funding.
- 9.8 Reviewing operational efficiencies and the [REDACTED] cost reductions identified, the DofF&P responded to a member query, confirming the association's plans matched previous ambitions and were improved by reduced assumptions and robust monitoring with a VfM action plan linked to the business change programme.
- 9.9 The EDofF&R explained that the operating environment had changed considerably and, following volatile times, many of the efficiencies had been absorbed, including through delivery of the expectations and requirements of WHQS.
- 9.10 The chair highlighted the reduction in annual surplus for 2026/27 and the potential for negative attention and the DofF&P reminded members that the reduction was driven by the association's ambition to deliver more homes during that period, which could be explained through a

suitably constructed narrative of the association's conscious decision to invest.

Resolution: The board considered and approved the 2024/54 business plan which would be filed with the WG and the association's lenders

10. B49.23/24 – Corporate Plan 2024/27

10.1 Following feedback from the Strategic business planning workshop, the SP&RL confirmed the Corporate plan had been updated, co-developed across all departments, and was designed to keep the association on track with its 2025 strategy and beyond.

10.2 The SP&RL explained key aspects of the plan that directed the association's focus to what matters to customers, communities, and colleagues, informing members that the priorities were appropriately funded and developed alongside the Budget and Business plan, and monitored through mechanisms such as the Integrated Report, self evaluation, and strategic commitments.

10.3 In response to a member, the SP&RL agreed to include a statement at the beginning of the plan to capture the association's focus on capacity in relation to the merger with Melin Homes. **SP&RL**

Resolution: The board, subject to feedback and amendments, approved the corporate plan 2024/27 at appendix 1

11. B50.23/24 – Development strategy

11.1 The EDofD presented the Development strategy that aimed to replace the Growth strategic commitment and provided an improved focus on the delivery of residential properties across South Wales, clarifying the types of properties and tenures the association was aspiring to build, whilst outlining principles, priorities, and impacts, and providing an overview of governance arrangements.

11.2 The EDofD advised that the presented Development strategy would enable the association to deliver on its current ambitions, pending merger, and drew attention to a typographical error in the strategy document, confirming this would be amended, subject to board approval.

Resolution: The board approved Newport City Homes' Development Strategy (March 2024)

12. B51.23/24 – Any other business

12.1 The chair took the opportunity to inform members of an upcoming special board meeting, scheduled for 8 May 2024, and reminded members of the virtual Mandatory Modern Slavery training scheduled for Tuesday 30 April 2024 at 1745.

- 12.2 There being no any other business the chair closed the meeting at 19:15 and asked members, the CEO, DDofG&CS and DDofP to remain for a further in-camera meeting.

Date of next meeting – 22 May 2024