

Agenda item no: B42-1.24/25 – CRD 1

Board minutes

Board meeting – Virtual – Wednesday 24 July 2024

Present:

Members

Lynda Sagona	Board Chair
Christian Cadwallader	Board Vice Chair
Guy Stenson	Board member
Chris Sutton	Board member
James Tarrant	Board member
Jenifer Baxter	Board member
Mike Usher	Board member
Andrew Gregory	Board member

In attendance

Ceri Doyle	Chief executive officer (CEO)
Gareth Yeoman-Evans	Interim deputy chief executive officer (IDCEO)
Sonia Furzland	Executive director of operations (EDofOps)
Matthew Davies	Executive director of development (EDofD)
Sophie Wint	Director of finance & procurement (DofF&P)
Chris John	Strategy, performance & risk lead (SP&RL)
Ben West	Governance & compliance manager (G&CM) and minute secretary

Observers

Alison Johns	Welsh Government (AJ)
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	AGENDA ITEM	ACTION
1	Welcome	
1.1	The chair opened the meeting at 17:31, welcoming members, officers and Alison Johns, the association's Welsh Government (WG) regulation manager.	
1.2	Discussing the additional merger responsibilities undertaken by the CEO, the chair informed members and congratulated the IDCEO on their recent change of role, deputising and supporting the CEO as required and acting as the lead executive in the meeting.	
2	B26.24/25 – Apologies for absence	
2.1	Apologies were received from Kevin Ward, Dale Walker and Sarah Croft.	
3	B27.24/25 – Declarations of interest	
3.1	The following member interests were declared: <ul style="list-style-type: none"> B28-2.24/25 – Board succession planning, AGM notice and arrangements – Guy Stenson, Christian Cadwallader, James Tarrant and Dale Walker 	

- **B28-6.24/25 – Ratification of urgent written procedures – Interim board membership** – Mike Usher, Dale Walker, James Tarrant and Chris Sutton

4 B28.24/25 – 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:

B28-1.24/25 – Board standard voting report

1. The board approved the minutes of the meeting dated 8 May 2024 as a true and accurate record
2. The board approved the minutes of the meeting dated 22 May 2024 as a true and accurate record
3. The board approved the minutes of the special board meeting dated 19 June 2024 as a true and accurate record
4. The board noted the one in progress matters arising following the 22 May 2024 board meeting and 19 June 2024 special board meeting
5. The board noted the minutes of the ARC dated 3 July 2024, which were subject to approval by the committee at its next meeting
6. The board noted the minutes of the CCC dated 12 June 2024, which were subject to approval by the committee at its next meeting
7. The board noted the four new chair's actions, numbers 1 to 4 since the last meeting
8. The board noted the company seal had been applied since the 22 May 2024 board meeting 18 times for numbers 002 - 019

B28-2.24/25 – Board succession planning, AGM notice and arrangements

1. The board approved the recommendation to reappoint to the board Guy Stenson, Christian Cadwallader and James Tarrant for the period up to completion of merger
2. The board approved the recommendation to appoint Dale Walker as ARC chair from the AGM in September 2024
3. The board approved the preferred Option 1 – holding an inclusive, hybrid AGM
4. The board noted arrangements for the 2024 AGM
5. The board approved the AGM draft notice at appendix 1
6. The board approved the AGM voting/proxy form at appendix 2
7. The board approved that any minor amendments required to the AGM notice could be approved by the chair of the board

and the company secretary to ensure compliance with the notice period

8. The board noted the Scrutiny Partnership's (SP) customer voice assurance report would be appended to the AGM notice

B28-3.24/25 – Committee annual reporting

1. The board noted the annual ARC report and supporting information
2. The board noted the annual CCC report

B28-4.24/25 – Modern slavery and human trafficking statement

1. The board approved the modern slavery and human trafficking statement for year ended 31 March 2024, and for the Chair and CEO to sign and publish on the association's website.

B28-5.24/25 – Bonds, Guarantees and/or Indemnities (BGI) Facility update

1. As per paragraph 2 of the facility documentation, the board approved the document, and authorised any two of the CEO, Interim deputy CEO (IDCEO), Director of finance & procurement (DofF&P), Company secretary (CS) and Executive director of operations (EDofOps), in consultation with the CEO, to sign the legal documentation.

B28-6.24/25 – Ratification of urgent written procedures

1. The board ratified B22.24/25 – Urgent written procedure – Interim board membership

B28-7.24/25 – Chair/IDCEO overview

1. The board noted the Chair/IDCEO overview for July 2024

- 4.2 In reference to the Chair/IDCEO overview, B28-7.24/25, the chair praised colleagues for their recognition at the recent TPAS (Tenant Participation Advisory Service) Cymru awards, achieving first place in the Resident Support/Advice Programme category and second place in both the Resident Support/Advice Programme (Cost of Living) category and Communicating with Tenants & Residents category.
- 4.3 The chair went on to highlight further colleague recognition with the association's asset and investment team winning the award for Regional Housing Association or Landlord of the Year at the Wales Energy Efficiency Awards 2024 and congratulated two colleagues published in Inside Housing's '40 under 40' list of outstanding housing professionals.

5 B29.24/25 – Annual report and financial statements

- 5.1 The DofF&P introduced the report that had been subject to scrutiny and challenge by the ARC and set out the headlines that included the association's financial position.
- 5.2 Drawing attention to the minor variance from the management accounts approved by board in May 2024, the DofF&P focused on the non-cash adjustment of the Local Government Pensions Scheme (LGPS) with the asset not recognised, representing the association's current position and intentions.
- 5.3 The DofF&P confirmed external auditors, Bevan Buckland, identified no adjustments with one low risk recommendation and presented their findings to the ARC in July 2024, holding a private in camera session with members.
- 5.4 Concluding the report, the DofF&P described the Letter of Representation, signifying the importance for members to read and understand the letter prior to approving.
- 5.5 Opening to questions, a member thanked the DofF&P for making the requested amendments to the Electrical Installation Condition Reports (EICR) wording within the annual report, following discussions at the July 2024 ARC meeting, observed by the chair.

Resolutions:

- 1. **The board approved the annual report & financial statements for the year ended 31 March 2024, and authorised the board chair and company secretary to sign on behalf of the association**
- 2. **The board noted the external audit findings report and approved the management response to the internal control recommendation detailed in section 4.3**
- 3. **The board approved the letter of representation, and authorised the board chair and company secretary to sign on behalf of the association**

6 B30.24/25 – Regulation and compliance review

- 6.1 The chair introduced the regulation and compliance review, reminding members that the self evaluation was owned by the board, reviewed by the Scrutiny Partnership (SP) and was an overview of the ongoing self evaluation work undertaken as an integral part of the strategic planning framework, reported through the integrated performance report.
- 6.2 The SP&RL described the importance of the self evaluation process in understanding the association's current position and future improvement actions, which formed a key part of the assurance framework, aligned to quarterly performance monitoring and other key performance and assurance reporting.

- 6.3 The SP&RL went on to outline the mechanisms used to capture the customer voice within the self evaluation process, which informed the association's priorities and improvement actions taken from the Regulatory Standards and Code of Governance review, highlighting key areas of focus that included customer experience and repairs service.
- 6.4 Reflecting on the association's 'amber' ratings in Regulatory Standard three (RS3), 'high quality services are delivered to tenants' and commenting on the link between repairs and customer satisfaction, the chair asked for a progress update on the embedding of the redesigned repairs service.
- 6.5 The EDofOps responded to the chair, acknowledging customer satisfaction drivers and the recent Survey of Tenants and Residents (STAR) data. Describing key measures and opportunities identified following the end-to-end review of the repairs service, the EDofOps outlined the work undertaken to improve repairs capacity through the redeployment of colleagues, dynamic scheduling, classification of emergency work and the creation of self-service videos to help meet growing customer demand.
- 6.6 The EDofOps went on to highlight variations between the STAR survey and transactional repairs survey data, with a reported difference of +18% in transactional survey results and further customer satisfaction increases observed with NCH trades colleagues, when compared with contractors.
- 6.7 Concluding their update, the EDofOps reminded members that the association conducted its STAR survey quarterly, compared with WG's two-year requirement, and although disappointed with stagnation, the EDofOps confirmed results were comparable with other urban housing associations and withstood the current declining sector trend.
- 6.8 A member challenged the 'green' rating the association scored against RS9, 'the provision of high-quality accommodation', and the SP&RL explained that the association's data confirmed compliance with all applicable standards. The IDCEO considered the effectiveness of the current three-point RAG scoring system and reminded members that whilst scoring 'green' in most areas the association continued to identify improvement actions, with progress reported to the ARC each quarter.
- 6.9 Following a member's question on the expected timeline to deliver 'green' ratings in all areas of the Regulatory Standards review, the SP&RL explained that delivery of the proposed improvement actions would produce results, confirming that board diversity would provide the largest challenge, with the association determined to improve. Members continued discussions, reflecting on board diversity and recruitment, the Pathway to Board (PtB) programme and market

challenges. Concluding the discussion, the chair informed members of the new organisation's diversity and inclusion (D&I) priorities with plans being developed.

Resolutions:

- 1. The board scrutinised the assurance provided in the detailed compliance reviews and in the proposed position statements found within the draft self-evaluation**
- 2. The board noted the annual compliance reviews undertaken of the Regulatory Standards and Code of Governance**
- 3. The board agreed that the compliance assessment against the Regulatory Standards and Code of Governance was correct, that appropriate mechanisms were in place to monitor progress of existing improvement actions and that new improvement actions were appropriate**
- 4. The board approved the self-evaluation report**

7 B31.24/25 – Stow Hill cost uplift

- 7.1 The EDofD introduced the revised scheme appraisal for Stow Hill, highlighting the key reasons for the cost increases to develop 36 apartments, caused by unforeseen works and updated requirements.
- 7.2 The EDofD informed members that the contractor, without any fluctuation clauses to deploy, was unable to complete the works at the agreed price and outlined the associated costs and risks of not completing the works with the existing contractor.
- 7.3 Concluding the report, the EDofD confirmed the net present value (NPV) remained positive and explained the association was engaging with WG to explore funding opportunities not currently included within the viability assessment.
- 7.4 Following a member's question the EDofD informed board of the scheme's progress and members went on to discuss the contractor's viability, with the EDofD confirming the association would review viability on an ongoing basis, seeking assurance on payments to sub-contractors.
- 7.5 A member asked colleagues to remain open to conversion project opportunities, commenting on abnormal inflation that had severely impacted development in recent years. The EDofD discussed the difficulties in assessing and identifying conversion project risks at the initial stages, with challenges often discovered at a later point, motivating the association to focus on less complex schemes.
- 7.6 Understanding the benefits of similar schemes in Newport city centre, the EDofD and members discussed the need for wider recognition and support from WG and the local authority in sharing the risk and setting a blueprint for investment in the city.

- 7.7 The IDCEO highlighted robust discussion and scrutiny taking place at the investment forum and agreed the association needed to remain open to opportunities, ensuring the risk appetite aligned with the association's strategy and ambition. Members went on to discuss the importance of obtaining clarity on the direction of city centre regeneration and forming a partnership with the new council leader.

Resolutions:

1. The board approved a revised contract sum of [REDACTED] with a total scheme cost of [REDACTED]
2. The board delegated authority to the CEO, IDCEO, EDofOps, EDofD and Company Secretary to sign and seal all documents associated with the transaction

8 B32.24/25 – Disposal of 180 Upper Dock Street

- 8.1 The EDofD presented the report, [REDACTED] and advised of the marketing exercise undertaken, requesting board approval to accept an offer to dispose of the commercial retail property, 180 Upper Dock Street, part of the original Griffin Island development.
- 8.2 The chair sought clarification on the position of the property and the EDofD confirmed it was separate from the main development, backing onto properties in Skinner Street and would not detract from the main Griffin Island development.

Resolutions:

1. The board approved acceptance of the offer for the sale of the freehold interest in 180 Upper Dock Street for [REDACTED]
2. The board delegated authority to the CEO, IDCEO, EDofOps, EDofD and Company Secretary to sign and seal all documents associated with the transaction

9 B33.24/25 – Verbal merger update

- 9.1 The CEO provided board with a verbal update on merger progression, focusing on three key areas which included the upcoming interim board agenda that would feature the new organisation's branding and business case. The CEO outlined the business case that centred on the new organisation's indicative principles and strategic priorities, with a detailed independent summary of the financial and treasury position, which would be shared at the 14 August 2024 special board meeting.
- 9.2 Concluding the update, the CEO referenced the executive recruitment process, with outcomes expected shortly, and went on to discuss the upcoming priorities that included development of the strategic priorities, integration plan and operating model.

9.3 The chair described the use of regular merger touchpoint meetings to keep members updated, with an open invitation for all members to attend.

10 B34.24/25 – Any other business

10.1 There being no any other business the chair closed the meeting at 18:49, thanking AJ and members for their attendance.

Date of next meeting – 25 September 2024