

Agenda item no: B50-1.24/25 – CRD1

Board minutes

Board meeting – Hybrid (Nexus House, Newport) – Wednesday 25 September 2024

Present:

Members

Lynda Sagona	Board chair
Guy Stenson	Board member (virtual)
Chris Sutton	Board member
James Tarrant	Board member (virtual)
Jenifer Baxter	Board member
Mike Usher	Board member
Andrew Gregory	Board member
Kevin Ward	Board member (virtual)
Dale Walker	Board member

In attendance

Ceri Doyle	Chief executive officer (CEO)
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)
Sharon Wilkins	Director of homes & communities (DofH&C)
Owain Roberts	Director of property & place (DofP&P)
Joanna Fairley	Deputy director of governance & Company secretary (DDofG&CS)
Ben West	Governance & compliance manager (G&CM) and minute secretary

AGENDA ITEM

ACTION

1 Welcome

- 1.1 The chair opened the meeting at 18:01, welcoming members and officers.

2 B40.24/25 – Apologies for absence

- 2.1 Apologies were received from Sarah Croft, Christian Cadwallader and Gareth Yeoman-Evans

3 B41.24/25 – Declarations of interest

- 3.1 No interests were declared.

4 B42.24/25 – 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:

B42-1.24/25 – Board standard voting report

- The board approved the minutes of the board meeting dated 24 July 2024 as a true and accurate record

2. The board approved the minutes of the in-camera special board meeting dated 14 August 2024 as a true and accurate record
3. The board noted the one complete matters arising item following the 24 July 2024 board meeting and 14 August 2024 special board meeting
4. The board noted the four new chair's actions, numbers 05 to 08 since the last meeting
5. The board noted the company seal had been applied 24 times, for numbers 020 – 043, following the previous report presented to the 24 July 2024 board meeting.

B42-2.24/25 – Chair/CEO overview

1. The board noted the Chair/CEO overview for 25 September 2024.

- 4.2 The CEO reminded members of the cancellation to the upcoming Colleague & Culture Committee (CCC) meeting, planning days and workshops, asking members to get in touch had they not received the notification email.

5 B43.24/25 – Integrated report Q1

- 5.1 The SP&RL highlighted key elements of the Integrated report, focusing on the operating environment that remained volatile and challenging and drew attention to inflation, the cost-of-living crisis, and Welsh Government (WG) rent settlement discussions, that could improve sector planning through increased long-term certainty.
- 5.2 Commenting on WG's housing targets and the funding needed to address increased construction costs, the SP&RL went on to conclude the report, describing the improving arrears position attributable to the implementation of rent analytic software, the energy redress scheme that supported 778 households over the quarter and the voids recovery plan overseen by the senior leadership team (SLT).
- 5.3 A member queried the high number of empty homes and the SP&RL responded, recognising the opportunity to improve the effectiveness of void turnarounds and the difficulties faced by the temporary closure of the local authority's (LA's) housing register.
- 5.4 The DofH&C referred to current housing demand and the LA's priority to house people with homeless housing needs, with assurance the register would reopen to new applicants by December 2024. Discussions continued and the DofH&C described ongoing restrictions caused by the housing register, providing a recent example of homes let in 55+ schemes, with the association negotiating its position where there was evidence of no demand.

- 5.5 In answer to the chair's query on increased void turnaround times, the DofP&P acknowledged contractor challenges and the marked increase in work undertaken by the new voids contractor, in place since July 2024, that was investing in a dedicated resource to undertake association works.
- 5.6 Responding to the reported cashflow RAG rating and six months of liquidity headroom, a member queried the affect this would have on lender requirements for the merger. The DofF&P explained that the amber rating related to operational cashflow, with the association challenging itself to manage this more effectively and take advantage of rates in the current operating environment, recognising the association would need a disciplined approach to cashflow over the next 12-18 months.
- 5.7 The DofF&P continued, adding that the Tier 1 metric of six-month cashflow was headroom against the 18 month golden rule and informed members that the association was using dynamic cashflow forecasting to align its treasury approach to spending and obtain the right level of funding, with lender consent being the immediate priority for NewCo.

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.**

Guy Stenson joined the meeting at 18:12

- 6 B44.24/25 – Asset management strategy annual report**
- 6.1 The DofP&P presented the report, highlighting achievements and challenges, which included the introduction of WHQS 2023 that was already impacting voids and which required the association to implement a decarbonisation policy by March 2025, that mapped a route to compliance.
- 6.2 Referencing the property and place restructure undertaken in April 2024, the DofP&P went on to outline further challenges and successes that included the Duffryn heating network, the procured framework for reactive and voids maintenance and the decarbonisation road map, before confirming the association would deliver a formal response to the recent Grenfell Tower publication to the Audit & Risk Committee (ARC) in December 2024.

- 6.3 Questioning the stock condition survey cycle, a member asked if the association was comfortable with 46% of homes having a stock condition survey within the last five years. The DofP&P explained the association was working towards 100% over a five-year period and expected to see an acceleration in surveys following the successful restructure that brought investment into the stock condition survey team. Highlighting the three-year delay caused by COVID, the EDofOps informed members that the association opted against an external approach, which would have created a peak in collection data, affecting future resource planning.
- 6.4 Members discussed tenable void conditions and the planning required to complete improvement works prior to and after tenancies end. The DofP&P confirmed that voids were typically due to stock age and tenant behaviour and that the new WHQS standard had increased void turnarounds by an average of seven days.
- 6.5 Drawing attention to the community customer satisfaction data, a member queried the reduced scoring and the DofH&C responded, describing the work undertaken in communities to build local partnerships and create What Matters Plans. The DofH&C added that much of the survey response commentary related to services that were outside of the association's control, a legacy of stock transfer and the association would continue to act and influence.
- 6.6 In response to a member's question on the increase in health and safety incidents, the EDofD confirmed the figures were positive, demonstrating improved accessibility through the successful implementation of [REDACTED] software that was helping to increase reporting across the association.
- 6.7 The EDofOps described the process changes being implemented to embed a strong health and safety culture, and following a member's query the EDofD advised the association had commenced a roll out of the [REDACTED] software to contractors.
- 6.8 Following a member's query on overdue gas safety checks, the DofP&P described the challenges causing high 'no access' rates, currently under SLT examination and the changes made to accommodate customers. The EDofOps provided additional detail on data accuracy and capacity challenges, confirming that data included cases pending court action and injunctions.
- 6.9 Commenting on the increase in overdue health and safety lift actions, a member asked if the data should instead represent the number of people affected and the DofP&P explained that an overdue action did not necessarily result in a lift being out of service.

Resolution: The board noted and commented on the annual progress report against delivery of the association's Asset Management Strategy.

7 B45.24/25 – Customer voice strategy annual report

- 7.1 The DofH&C took questions on the operating environment detailed in the report and members discussed the Regulator of Social Housing's (RSH) approach to personal data in England that was driving information transparency.
- 7.2 Presenting the remainder of the report, focusing on customer impact and satisfaction, the DofH&C highlighted achievements that included CRM cloud migration, community visibility and improved customer data quality, with resources now directed towards merger Day 1 and the Customer Promise.
- 7.3 The chair explained the importance of tailoring services to customer needs and vulnerabilities, underlining the increase in customer data, with 50.4% of customers having completed a core data check within the last 12 months. The EDofOps drew attention to the latest Grenfell Tower report that highlighted a lack of understanding and detailed knowledge of customer vulnerabilities, with communications not tailored to customer needs and the DofH&C confirmed the association was already using its data to understand its customers and customise communications accordingly.
- 7.4 Responding to a member's query on customer 'downsizing', the DofH&C described the occupancy dashboard and its applications, which had enabled colleagues to locate under occupied households in rent arrears who could be supported to downsize, freeing up larger properties and helping reduce customer rents. Downsizing discussions continued on the untapped needs, the capacity to manage void demand and the challenges faced in letting outside of the housing register's parameters.
- 7.5 The chair concluded discussions by reminding members and officers of the importance of cross-referencing data to highlight conscious and unconscious bias, particularly towards vulnerable and minority groups.

Resolution: The board noted and commented on the Year 2 annual progress report on the delivery of the association's Customer Voice strategy.

8 B46.24/25 – Verbal merger update

- 8.1 The CEO provided an update on merger progress and the recent interim board meeting, concluding that decisions made by board over the next six months would continue to influence and shape NewCo.
- 8.2 Outlining the programme of works ahead, including the Customer Promise, lender presentations and Day 1 preparations, the CEO

discussed the priority work being undertaken on NewCo colleague consultations for Tier 3 appointments.

- 8.3 Members of the interim board provided additional updates on the risk register and lender consents discussed at the recent meeting and asked for assurance on the shareholder vote for the proposed rules and name change. The CEO provided details of historic voting trends and advised the association was mitigating risk through shareholder engagement.
 - 8.4 The DofH&C referenced Customer Promise consultations that indicated credible customer support for the merger and the DDofG&CS provided clarity on shareholder voting requirements for both associations.
 - 8.5 Discussions progressed to cyber security, explored at the recent meeting of the interim board, highlighting cyber vulnerabilities during the transfer process and the resilience needed to recover with minimal damage.
- 9 B47.24/25 – Any other business**
- 9.1 There being no any other business the chair closed the meeting at 19:21, thanking members for their attendance.

Date of next meeting: 27 November 2024