



Confidential Minutes of a meeting of the Board of Broadland Housing Association held on 25 July 2018 in the Board Room, Carrow Road, Norwich

The Head of Asset Management gave a presentation on Fit for Purpose Asset Management Services which was debated and noted.

PRESENT:

Members:

- Jon Barber
- Sam England
- Chris Ewbank - Chair
- Simon Hibberd
- Michael Newey
- Helen Skoyles
- Kate Slack
- Paul Slyfield
- Gavin Tempest
- Siobhan Trice

Officers & Staff

- Louise Archer – Executive Property Director
- Adam Clark – Assistant Housing Director
- Julian Foster – Executive Finance Director
- Catherine Little – Executive Housing Director
- Linda Moss – Executive Assistant (minutes)
- Andrew Savage – Executive Development Director
- Sarah Wyatt – Company Secretary

1 CHAIR

The Chair welcomed everyone to the meeting. The Chair welcomed Kate Slack back from maternity leave and welcomed Catherine Little to her first board meeting.

2 APOLOGIES FOR ABSENCE

- 2.1 There were no apologies. All Members were present.
- 2.2 The Chair reported that a quorum was present, and that due notice of the meeting had been properly given to all Members of the Board.

ACTION

3 DECLARATIONS OF INTEREST

3.1 Mrs Skoyles, the Group Chief Executive and the Executive Finance Director, as Directors of Broadland St Benedicts, expressed an interest in item 5.1 Intergroup Finance and Leasing Arrangements.

4 MINUTES OF THE PREVIOUS BOARD MEETING

4.1 APPROVAL OF THE MINUTES OF THE BOARD MEETING HELD ON 20 JUNE 2018

The minutes of the meeting held on 20 June 2018 were taken as read, **agreed** as a true and correct record and signed by the Chair.

4.2 Approved Group Actions from the meeting of 20 June 2018

Regarding item 1, Housing with Care, the Group Chief Executive stated that it would not be easy to get a meeting with both the new leader of NCC and their CEO at the same time, but it is hoped that this can be arranged in September or October.

Regarding item 1, 14 June 2017 board meeting, 'explore potential collaboration with health and social care organisation', Mr Barber stated that he would bring an update to the next meeting.

The Approved Group Actions were **noted**.

5 ITEMS FOR APPROVAL

5.1 Intergroup Finance and Leasing Arrangements

There was a confidential discussion.

5.2 Carrow Quay Phase 2

The Executive Development Director introduced the report which was discussed.

It was **noted** that the Broadland St Benedicts Board meeting of 16 July had discussed and agreed to proceed with the construction of 55 apartments within the Phase 2 R3/R4 block.

The Board **agreed** to commence construction of Phase 2 at Carrow Road:

Stage 1: Podium project cost - £2,343,771.

Stage 2: 34 intermediate apartments project cost - £6,657,546.

5.3 Group Financial Statements 2017/18

The Executive Finance Director introduced the report.

MN

JB

Item 5.3 Group Financial Statements and Item 5.4 Executive Report on Internal Controls Frame Work and Management Assurance were taken together.

ACTION

The Chair asked, regarding the management assurance statements, whether there were any themes or lessons to be learnt going forward. He asked whether more resources should be put into arrears or is this a normal volume?

The Executive Director Finance explained that this year reflects more thinking about this and we have tended to over disclose as well as widening the exercise to a wider group of people. It was **noted** that we are in a much better place in terms of procurement which puts us in a better position and last week completed an important legal framework relating to GDPR.

Mrs Slack asked whether we are happy with 'reasonable assurance' on the Assets and Liabilities Register.

The Executive Director Finance confirmed his satisfaction and stated that the key part is making sure of our understanding of our unencumbered stock. It is not perfect in this area, but we have made big improvements

The Executive Director Finance stated that the Financial Statements have had some changes from the auditors and the Chair over the last few days and that these changes are highlighted in yellow. He stated that in general the changes are wording related. It was **noted** that there are two other changes not reflected in the accounts - page 13 – 'table value for money – social housing cost per home - based on the total housing cost per home'. The changes will be made but the detail will be left in, but we will not colour code them. It was **noted** that there is another change relating to Homes for Cathy performance indicators: number of evictions and number of homeless families re-housed, which have not been included and these will be published in a separate section.

Mr Slyfield queried top of page 25: the surpluses before tax in paragraph below and queried whether this was the correct figure. The Executive Finance Director stated that this was not the correct figure and that it should be £2.3m and that he would ensure that the correction is made.

JF

The Executive Finance Director stated that he has added narrative to pages 11 onwards into the tables that explains the variance against benchmark and how we are proposing to improve our performance

Mr Barber commented that the Group Financial statements have been discussed in detail at the Group Audit and Risk Committee meeting on 4 July 2018.

The Board

- **Approved** the external audit representation letter included at **appendix 6** and **authorised** the Executive Director of Finance to sign on behalf of the board;

- **Approved** the Board report included in the Group financial statements including the statement of compliance with the Regulator's Governance & Viability Standard and the statement of compliance with the NHF Code of Governance and **authorised** the Chair to sign on behalf of the board;
- **Approved** the Strategic report included with the Group Financial statements and **authorised** the Chair to sign on behalf of the board;
- **Approved** the Group Financial Statements for the year ended 31 March 2018, and **authorised** the Group Chair, Group Chief Executive, and Vice Chair to sign on behalf of the board;
- **Endorsed** the subsidiary financial statements for Broadland Meridian, Broadland St Benedicts Ltd, Broadland Development Services and Charlie's Social Enterprise Community Interest Company (to be approved by the respective boards);
- **Accepted** the Highlights report from the external auditor BDO (**appendix 1** to the Executive report on the internal control framework) and **authorised** submission of this report alongside the Group Financial Statements to the Regulator.

5.4 Executive Report on Internal Controls Framework and Management Assurance

The Executive Finance Director introduced the report.

The Board **accepted** the Executive report and **approved** the Board statement on internal controls in the 2018 financial statements.

5.5 Bank Signatories

The Executive Finance Director introduced the report.

The Board **resolved** that: a banking relationship will be maintained with National Westminster Bank plc in accordance with the attached mandate (**appendix 1**) and that:-

- the authorised signatories in the current mandate for the following National Westminster Bank plc be changed in accordance with section 5 of the attached change of signatory form for all accounts held including the main operating account:
 - Account No. XXXXXXXX Broadland Housing Association;
- the current mandate will continue as amended.

5.6 Appointment of Broadland Meridian Trustee

The Company Secretary introduced the report.

The Board **approved** the proposed appointment of Amanda Ellis as a trustee of Broadland Meridian in the Board's capacity as sole member of Broadland Meridian.

5.7 Appointment of Assistant Company Secretary

The Company Secretary introduced the report.

The Board **appointed** Catherine Little, Executive Housing Director, Assistant Company Secretary for all BHG entities and as an authorised signatory of BHG.

5.8 Committee Meeting Schedule 2018/2019

The Committee Meeting Schedule 2018/2019 was **approved**.

6.00 ITEMS FOR DISCUSSION AND NOTING

6.1 Management Accounts June 2018

The Executive Finance Director introduced the report and highlighted the main variations in budget-actual performance. He suggested that overall BHA performance was roughly on budget with some concern on routine repairs and interest income which was still being clarified. There were continuing concerns on BDS although it was now in a surplus position.

The Chair wanted to clarify on BDS and BSB that there has been no substantive decline in their business - it is the timing and that is why it is behind budget. The Executive Director Finance confirmed that this was the case.

The Board **noted** the Management Accounts June 2018.

6.2 Business Performance Report

The Group Chief Executive introduced the report and highlighted the main trends and performance exceptions.

The Group Chief Executive stated that at the September board meeting Members will receive the Business Performance Report with Power BI and exceptions will be on Board Packs. It was noted that Power BI licenses have been purchased for all Members. Antony Hedges, Head of Digital Engagement and Rachel Delara, Senior Business Analyst will join the meeting to demonstrate and train members on Power BI.

It was **noted** that the Group Chief Executive had met with the Executive Development Director, Antony Hedges and Rachel Delara to agree Development KPIs. It was **noted** that Members will have a set of more sophisticated KPIs in future, which will be more informative.

Mr Tempest commented regarding average re-let times for Housing with Care on page 11, and the comment about BHA changing the criteria for allocations and queried whether BHA would have control over this? The Assistant Housing Director confirmed that yes BHA would have control. It was **noted** that Steph Davis, Senior Housing Manager is leading on this and that it is a side issue alongside the difficulties in allocations we have with the County Council.

The Executive Development Director stated that the County Council will be publishing a new growth strategy for Housing with Care which will reduce the

lower limit of care required to access Housing with Care. It was **agreed** that the Executive Development Director would circulate this information.

Mrs Trice asked how we can ensure that we get the right KPIs focussed on the tenants, but which are also business performance related. The Group Chief Executive stated that the current KPIs were compiled with board members input. He suggested that we may need to revisit these KPIs to ascertain if they are giving us the right information. He stated that we must not forget our social purpose. He stated that it would be interesting to compare our KPIs with the Executive Housing Director's previous employer, SOHA. It was acknowledged that this is an area that Members will revisit when developing the new Corporate Strategy.

The Chair queried the issue on page 29 regarding Asbestos Management and non-compliance.

The Group Chief Executive explained that there are several asbestos surveys where we are non-compliant, but that these are being carried out as a matter of urgency.

The Chair wanted to know what the timescale for carrying these out would be as we might be in breach of a health and safety regulation on this issue.

The Group Chief Executive stated that he would ascertain the timescale and inform Members.

The Chair queried page 33 'Financial Performance' and that we have gone 'red' on Quarter 3 and asked whether this was a 'red' as we were not committed to the development plans. The Executive Finance Director responded that this was the case. He stated that the Regulator likes to see committed and uncommitted development. He stated that when we do our returns to the Regulator we explain where we breach the 12-month limit. This was the case last year end, when we were not complete on capital market and we stated that we would not complete Carrow Quay Phase One until we had funding in place – it will be the same this year with Hampshire Trust.

The Chair asked if our regulatory returns only ask for an overall judgement and the Executive Finance Director confirmed that this was the case.

Mrs Slack commented on the UC credit arrears and that it does generate a spike in arrears. She stated that national arrears are 70% and that this indicates that there is some positive working being done by Housing Management and asked the Assistant Housing Director about this.

The Assistant Housing Director stated that we recognise that it is potentially a positive story, but that we have work to do to understand why that figure is as it is. We are utilising Power BI to identify who are likely to go into debt - we can use this and seek to set up advance payments to mitigate the risk when going over to UC. The improved data insight gathered through Power BI should

improve our understanding of the 50% figure and lead to greater certainty around why this is lower than quoted national figures.

Mrs Slack commented that if we have tenants who build up arrears going onto UC, when it comes to claiming direct payment and claw backs of rent arrears, how are we going to ensure that tenants have enough money to live on. Mrs Slack acknowledged that it is a priority for us to collect any arrears but that she would be happy if we could give tenants a longer period to pay back their arrears.

The Assistant Housing Director stated that any payments of arrears are done with the income officer who will complete an income and expenditure assessment to identify what is affordable and have a pragmatic conversation with the tenant about this. Operationally the view is shared that we would prefer to collect this over a longer period in order that the tenancy is more sustainable. This does require greater appetite for our gross arrears figures to be higher.

The Group Chief Executive stated that, regarding the direct payments from DWP in respect of rent arrears and claw backs, we do not have a say in this - the value of these payments is determined by DWP.

This is linked to our work on Homes for Cathy in respect of preventing homelessness especially when tenants are in arrears. It was **noted** that the Group Chief Executive, the Executive Housing Director and the Assistant Housing Director are working on a plan to bring to the Board in September to work towards tackling the Homes for Cathy priorities in the Crisis Plan to end homelessness.

Mrs Slack commented on 'BKPI 06 – Progress against delivery of CROHM plan' and that work in that area is very low and queried when we are going to start having a different conversation on this issue.

The Group Chief Executive responded that the number of properties we need to dispose of is smaller, because of the work we have done through planned works. He stated however that we continuously talk about whether we should incentivise tenants to move – we think we can achieve the CROHM plan in the next three years. He stated that on an individual case by case basis we have been taking action. For example, in Cromer, we have purchased a property to move an existing tenant into and we are selling the existing property where we could not achieve an EPC level of C within value for money constraint.

The Business Performance report was **noted**.

6.3 Group Audit Report to Broadland Housing Association Board

The Executive Finance Director introduced the report which was **noted**.

7.00 **STANDING ITEMS**

7.1 Minutes of Committees and Subsidiary Boards

Broadland Meridian minutes – 19 June 2018

The minutes were **noted**.

Group Audit and Risk minutes – 4 July 2018

The minutes were **noted**.

Broadland St Benedicts minutes – 16 July 2018

The minutes were **noted**.

Broadland Development Services minutes – 17 July 2018

The minutes were **noted**.

7.2 Referred Items to Board

There were no referred items to the Board.

7.3 Equality and Diversity

No issues were raised.

7.4 Health and Safety

No issues were raised.

7.5 Feedback from Training/Conference attended

There has been no training or conferences attended since the last meeting.

7.6 Any Other Business.

7.7 Items from Noting Pack

7.7.1 Development Outturn and Activity Update

The Development Outturn and Activity update was **noted**.

7.7.2 Asset Management Outturn, Projections and Consequences Update

The Asset Management Outturn, Projections and Consequences update was **noted**.

7.7.3 Governance Action Plan

The Governance Action Plan was **noted**.

7.7.4 Assets and Liabilities Update

The Assets and Liabilities update was **noted**.

8.00 Date and time of next meeting

Friday 21 September 2018 following the AGM.

ACTION

The meeting closed at 7.40 pm.

Signed Dated
Group Chair

Distribution

Jon Barber
Chris Ewbank (Chair)
Samantha England
Simon Hibberd
Michael Newey
Helen Skoyles
Kate Slack
Paul Slyfield
Gavin Tempest
Siobhan Trice

Subsidiary Board Membership and Quorum

Broadland St Benedicts	Broadland Development Services	Broadland Meridian	Charlies Social Enterprise (dormant)
Board Members who also sit on the BHA Board			
Michael Newey (Chair)	Michael Newey (Chair)	Gavin Tempest (Chair)	Michael Newey
Helen Skoyles			Gavin Tempest
Board Members who do not sit on the BHA Board			
Julian Foster	Julian Foster	Jenny Manser	Jenny Manser (Chair)
Sean Tompkins	Andrew Savage		
Martin Clark			
Quorum			
Simple majority of the total number of Board Members, subject to at least two Non-Executive members being present	Simple majority of the total number of Board Members	Simple majority of the total number of Board Members, subject to at least two members being present	Simple majority of the total number of Board members, provided that the member of the Board of Broadland Meridian is in attendance