

NORTH DEVON HOMES



Minutes of a meeting of the Board held on Monday 9 May 2016 at 6pm

- PRESENT:** Simon Price (Chair) [SP]
Dawn Ash [DA]
Adrian Jeffery [AJ]
Sarah Maylor [SM]
Scott Murray [SMu]
Robert Stronge, Vice Chair [RSt]
Jeremy Yabsley [JY]
- IN ATTENDANCE:** Ralph Smale, Homes and Communities Agency
Robert Chave, Homes and Communities Agency
Andy Cook, Homes and Communities Agency
Martyn Gimber, Chief Executive [MG]
Marc Rostock, Director of Neighbourhoods [MJR]
Philippa Butler, Finance Director [PJB]
Stephen Snooks, Regeneration Manager [SS]
Claire Fallow, Asset Manager [CF]
Miles Sellick, Housing Manager [MS]
Iain Springate, Strategy & Performance Manager [IS]
Lucy Duchesne, PA to the Chief Executive [LD]

The Chairman welcomed our guests from the HCA and all present introduced themselves.

3266 Apologies

Received from Brian Moores, Richard Setter and Faye Webber.

3267 Declarations of interest

AJ – Ark and Keepmoat.

SMu – Pemberton Homes, which is on the PSW Development Framework.

Local Authority members Devon County Council and North Devon Council.

3268 Items raised at the Chair's discretion as a matter of urgency

SP said that the Board's Interview Panel had interviewed a potential candidate for the Board this afternoon. The person is very appointable and SP will keep the Board updated.

3269C Fraud reported since last meeting

None.

3270C Board Action Tracker – Martyn Gimber

328 PJB explained that this tax liability arises as a result of the unwinding of previous cross subsidies on developments as a result of the transition to FRS102.

3271C Minutes of the Board meeting held on 11 April 2016

After amendment to page 7, these minutes were approved and signed.

3272 Matters arising from 11 April 2016 minutes

None.

3273C Draft minutes of NDH Trading Ltd held on 7 March 2016

3274 Minutes of the Customer Forum meeting held on 14 April 2016

DA said that Tenant2Tenant continues to work well, although it is a little slow at the moment. She reported that the Door Step Out Day had been very successful, with a lot of customer interaction. She had been surprised that as many as 11 of the 24 households had not even heard of how to participate and there are now 13 people who are interested in greater involvement.

3275C Chief Executive's Update

SP updated the Board on the NHF conference dinner with Julian Ashby and David Orr which he attended last week. He found it a very useful opportunity to hear how other RPs and stakeholders are proposing to cope with the proposals in the Housing & Planning Bill.

Recommendation

To note the content of this report. The recommendation was **carried** unanimously.

3276 Corporate Plan Update – Martyn Gimber

This report updates the Board on the progress and delivery of the corporate plan to date. We are one year into the three year plan and have already had some external changes to contend with following the rent cut and the changes to government policy following the election. However, despite some large hits on the business plan in terms of rent restructuring the plan remains a clear map and strategy for what we aim to deliver. Many of the immediate priorities were infrastructure related which is work that was required to meet the changing needs of the business.

VfM is challenging, and we have a number of reviews planned for how we efficiently deliver and structure our front line services. We are making progress against the efficiency targets set.

Health and safety is another area where non-negotiable priorities are preserved in the plan and we are mindful of the need to nurture a positive and thriving culture of health and safety across the business.

Our ambitions surrounding social enterprise, mobile service delivery and some of the desirable elements such as customer incentives have been mothballed, removed or delayed as we concentrate on our Survive and Thrive strategy but overall the plan remains realistic and deliverable.

SM referred to the monitoring progress and asked if works that were not completed in 15/16 should be rolled over or should we simply identify those that cannot be achieved? MG agreed, saying that the Board Away Day will look at this in depth. SM supported this suggesting that amber activities be reviewed as part of this awayday. MG said we will update the Board on amber items, obtain its feedback and remove targets that will not be met.

Recommendation

That the Board notes the progress made against the objectives outlined in the Corporate Plan 2015-18. The recommendation was **carried** unanimously.

3277C Business Plan Update – Philippa Butler

Recommendation

The Board is requested to note the draft Business Plan that has been prepared under old UK GAAP for 2016/46. The recommendation was **carried** unanimously.

3278C Development and Regeneration Update – Martyn Gimber

As always, there is a great deal of activity in this area as the Board looks to maximise its asset base.

SMu asked about the average impact when looking at development opportunities and SS said if they are s106 then it is quite low but on our developments usually 30 years plus on pay back. The calculations are put through Pamwin. SMu said that we must take advantage of opportunities which give the best fit for financial return.

Recommendation

To note the content of this report. The recommendation was **carried** unanimously.

[SS left the meeting at this point.]

3279C Magna Tender Bid – Martyn Gimber

3280 Value for Money Statement – Philippa Butler

PJB presented this report acknowledging that this was an early draft to give the Board an opportunity for engagement and comment and that there is still work to do. Failure to deliver VfM is a key risk as VfM one of the key regulatory standards and as a reminder of the standard to the Board a copy of the standard is attached at appendix B. As part of the Housemark benchmarking report reviewed at the last meeting some objectives for 15.16 were set and these have been included in the final section of the statement, together with performance against the objectives that were set last year. She will present the next draft to the Board in July and she asked if there were any areas the Board would like to see developed further.

SP stressed how important this is and began the feedback process with his suggestion that we should include acknowledgment of the current legislative environment and government priorities and direction of travel.

SP wants to understand the action data that sits behind the performance graphs. Need detail to assist understanding even though we may not include in final version .

All agreed and all Board members were requested to give PJB their feedback by July and to copy in all other Board members.

Recommendation

The Board is requested to note the draft Value for Money statement attached at appendix a. The recommendation was **carried** unanimously.

3281C Governance Update – Martyn Gimber

Recommendations

- 2.1. The Board is requested note the report and note the progress of the Governance Continuous Improvement Action Plan at Appendix A.
- 2.2. The Board is requested to review and approve the amended Standing Orders attached at appendix B.
- 2.3. The Board is requested to approve the next phase of the eGovernance implementation and install BoardPacks. The recommendations were **carried** unanimously.

3282 Risk Strategy 2016 – Iain Springate

IS introduced the Risk Strategy, explaining that it sets out our approach to Risk Management; explaining how we identify risks, put in place controls and measures to ameliorate risks, and monitor them over time. The Strategy had been updated to take account of the significant amount of work undertaken on Risk Management in the last year. The principal change related to the Risk Appetite and Tolerances that ARC had agreed in December 2015 – this change was now reflected in the Strategy. IS noted that the new approach with Risk Appetite had only been used at ARC once (March 2015), and would need to be further refined to ensure that it was working as necessary, and providing the Board with the information they needed.

IS explained that ARC had reviewed the Strategy in detail, and had agreed it; it was now with the Board for approval. JY explained that ARC had carried out a lot of work on the strategy, and reiterated there is still some work to be done to further refine Risk Management, but that this was to be expected in an ongoing process.

IS explained that the Risk Management process, and how it is working following the changes, could be reviewed at the Summer Risk Workshop. SP stressed that the Board must be fully aware that it is responsible for the risks, and encouraged Board members to attend the Risk Workshop. SMu suggested that a scenario planning exercise be carried out at the Risk Workshop, looking at scenarios where a number of risks materialised together. This is the next stage in the risk process from considering Risks individually, and helps understand the connectedness of the issues in the Risk Map. IS agreed that this would be a useful exercise.

337 IS to organise a summer risk workshop and SP stressed that as many Board members as possible should attend.

Recommendation

That the Board approves the revised Risk Strategy (attached at appendix A). The recommendation was **carried** unanimously.

3283 Statistical Data Return – Iain Springate

IS presented the Statistical Data Return (SDR) for 2015/16 to the Board, explaining that it is the annual return we provide to the HCA, covering our social housing stock and how it is used, as well as some administrative information. The data assists the Regulator to better understand the type of homes in the sector, how they are managed, and any movement of stock into / out of the sector.

We have carried out an internal validation and Smith & Williamson are doing external validation for us. It had not been possible within the timescales available to get the external validation completed for the Board meeting; the next Board meeting was after the submission date of 31st May. IS explained that the external validation was likely to be completed within the next week – if any significant issues were identified, the Board would be made aware.

There were no questions.

Recommendation

That the Board reviews and approves (subject to external validation) the 2015/16 SDR, as attached at Appendix A. The recommendation was **carried** unanimously.

3284C RHI Agreements – Philippa Butler

This report echoes a similar one regarding PV last month [report 3261C] where it was seen to be tax efficient to transfer the assets to Anchorwood Limited. She has checked with Trowers and we do need an Asset Transfer Agreement which they will prepare.

Recommendation

That the Board approve the Renewable Heat Concession Agreement attached a appendix A, subject to any lenders' consent being obtained. The recommendation was **carried** unanimously SUBJECT TO CONFIRMATION OF LIABILITY.

3285C Annual Treasury Update – Philippa Butler

PJB presented this summary of activity for the last year and explained the difference in the cashflow forecasts. A summary of deposits and investments is included in the report and a comparison of actual cashflows against those forecast in the April 2015 business plan is attached at appendix B.

There were no questions.

Recommendation

The Board is requested to note this report. The recommendation was **carried** unanimously.

3286 Gas Safety Update – Marc Rostock

MJR presented this report, noting that performance reports and asset management updates have also been including regular gas safety reports as requested by the Board.

Recommendation

That the Board note the assurances provided in relation to North Devon Homes fulfilling their compliance with the Landlord's gas servicing requirements. A. The recommendation was **carried** unanimously.

3287 Young People's Service Update – Marc Rostock

DA said that she was surprised that the significant body of work the Customer Forum had undertaken with the transformative evaluation and not been recognised in the report. MJR apologised and said that it had been included in the appendix and that the lack of recognition had not been intended. He agreed that the work had been very valuable indeed.

Recommendation

That the Board note the progress made in delivering the 2015/18 Project and the targets as set out in the report. The recommendation was **carried** unanimously.

3288 Tenancy Status Update – Miles Sellick

AJ asked if we knew what the effect of the provisions of the new Act will have but MS said that, without the detail, it is difficult to predict although it appeared that there would be implications for fixed term tenancies in the future.

Recommendation

Board members are recommended to note the contents of this report. The recommendation was **carried** unanimously.

3289 Date of next Board Meeting and Close

The next Board meeting will be held on Monday 13 June 2016. The meeting closed at 20:17.

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