

NORTH DEVON HOMES

Minutes of a meeting of the Board held on Monday 13 June 2016 at 6pm

PRESENT: Simon Price (Chair) [SP]
Dawn Ash [DA]
Asad Butt [AB]
Sarah Maylor [SM]
Brian Moores [BM]
Scott Murray [SMu]
Richard Setter [RS] [until item 3302]
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
David Mairs, Treasury Adviser to NDH [DM]
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]
Iain Springate, Strategy & Performance Manager [IS]
Kate Blooman, Financial Controller [KB]
Lucy Duchesne, PA to the Chief Executive [LD]

3291 Apologies

Received from Adrian Jeffery and Robert Stronge. (Faye Webber did not attend.)

3292 Declarations of interest

SMu – Pemberton Homes, which is on the PSW Development Framework.
Local Authority members - Devon County Council and North Devon Council.

3293 Items raised at the Chair's discretion as a matter of urgency

SP said that the Board's Recruitment Panel had made an offer to a highly suitable candidate whose details were in the report. He asked if the Board had any questions and there were none.

Recommendations

- 2.1. That the Board co-opts Asad Butt to the Board until the AGM on 23 September 2016.
- 2.2. That the Board offers Asad Butt a permanent Board position at the AGM to replace Adrian Jeffery who is standing down.

The recommendations were proposed by SM, seconded by SMu and **carried** unanimously.

Asad joined the meeting at this point and was welcomed by all.

3294C Fraud reported since last meeting

None although MG reported that three attempted emails had been caught and dealt with under our normal procedures.

3295C Board Action Tracker – Martyn Gimber

- 327 We still await the heads of terms from, who had been waiting for the valuation report from Savills and are now putting the Credit Committee proposal together. PJB said we hope to receive their formal offer very shortly.
- 328 The auditors confirmed that the unwinding of the cross subsidy will trigger a tax liability and PJB said that the Business Plan had made provision to cover this.
- 335 MG confirmed that SM's detailed questions are being worked through.

3296C Minutes of the Board meeting held on 9 May 2016

Approved. Proposed by JY, seconded by RS and signed.

3297 Matters arising from 9 May 2016 minutes

None.

3298 Draft minutes of Anchorwood Limited held on 16 May 2016

The draft minutes to be corrected to show SP in attendance.

3299C Business Plan (Urgent Issues paper 3290C)

This report was formally approved.

Recommendation

The Board is recommended to note the contents of this report. The recommendation was proposed by JY, seconded by DA and **carried** unanimously.

3300C Chief Executive's Update

A current key driver is to deliver the cost reduction plan and we have been working hard on this for staff, pension and natural wastage and will bring progress back to Board. The Remuneration Committee will be looking at the detailed pension strategy in July and we have had discussions with both the Social Housing Pension Scheme and Local Government Pension Scheme to look at reducing pension costs.

The HCA will expect RPs to support the new voluntary RTB and there is strong emphasis from the HCA and the government to address the golden share issue of control. We continue to work with our LA on a good partnership agreement.

RS said that the Customer Forum's calendar on the new website was not up to date and MG apologised and said that we had accelerated the work on the website and

agreed to check on the oversight. SP said that the new website is really excellent overall and RS agreed.

339 MG to speak to Rowan Summers about the Customer Forum calendar on the new website.

RS asked if Pay to Stay policy would be subject to a Board decision and SP said yes.

SP asked when we might see fruition to the cost sharing negotiations and MG said the ASW partners had agreed to work together to understand their relative positions and what was on offer. They are meeting in July and will be drilling into the detail. MG will let the Board know how this meeting goes and will provide a full report on the initiative to the Board in September.

BM asked how we deal with the Heart of the South West and MG said that the Chief Executive of Westward is on the board and keeps us updated with regular feedback. Some of the discussions regarding deregulated powers on planning and housing look very interesting and MG will report to the Board on any strategic issues that arise.

Recommendation

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

3301 Treasury Strategy Update – Philippa Butler

PJB told the Board that the Lloyds discussion document at App A is quite light on detail so we have asked them to provide more, particularly concerning covenant requirements.

Recommendations

- 2.1. That the Board note the treasury strategy progress.
- 2.2. That the Board agree the next steps proposed during the verbal update at this meeting, including which Lloyds options to pursue.

The recommendations were **carried** unanimously.

[DM left the meeting at this point.]

3302C Development and Regeneration Update – Martyn Gimber

[RS made apologies and left the meeting.]

Recommendations

- 2.1. To note the content of this report.
- 2.2.
- 2.3. That we continue to play an active role in the developing partnership and that in principle, agreement be given to progress to the point where we can formally sign up to the ERDF project and funding over the next two/three years.
- 2.4. That the Board notes the key assumptions incorporated in the Pamwin scheme approval process for 2016/17 as attached at Appendix B.

Recommendation 2.4 was noted but the Board wishes the information to be brought back to the next meeting. The recommendations were **carried** unanimously.

3303 Anchorwood Bank Project Update – Martyn Gimber

MG drew the Board's attention in particular to 4.1 of his report concerning the HCA charge on the site. He believes the risk is fairly low in that the HCA will want to ensure that the site is built out for the purposes of housing and commercial and is unlikely to walk away or negatively affect the asset.

SM confirmed she has sufficient information to decide on the resolutions today but would like more information concerning the Charge and the release of it and this was agreed.

Recommendations

2.1. The Board is requested to note the report.

2.2. The Board is recommended to approve the release of a first charge over the land to the ... as outlined in this report.

The recommendations were proposed by JY; seconded by DA and **carried** unanimously.

3304C Governance Update – Martyn Gimber

MG stressed that the next critical step is the move to a skills-based board. The meeting on 3 June was positive (see 4.3) and we very much wish to have something agreed for the AGM on 23 September and negotiations are continuing.

SP reiterated his understanding that the MP is strongly supportive of government policy and takes the view that the LA should comply.

SP referred to the Board's succession planning and asked when we will be advertising for replacement Board members and MG said this will be after the Board's discussions in July when it has analysed the updated skills matrix and identified gaps.

Recommendations

2.1. The Board is requested to note the report and note the progress of the Governance Continuous Improvement Action Plan at Appendix A.

2.2. The Board agree to the approach to the Local Authority negotiation in 4.3.

The recommendations were **carried** unanimously.

3305 Modern Methods of Construction – Martyn Gimber

MG presented this report, updating the Board on the work so far on this project. It is believed to be a worthwhile investment to help inform and underpin our future development approach. We have been involved in off-site timber framing through ASW for a number of years, which has delivered a range of benefits not just in terms of development units but also in terms of technical knowledge, shorter site development times, reduced impact on neighbours, and greater control of cost and project delivery. We also think that the Government has signalled, through the HCA, that it sees MMC as a key feature of future development. The other opportunity is that we have our own factory space, although this does need some work as part of our long term maintenance.

Recommendations

2.1. That the report be noted.

2.2. Agreement in principle of set up of the factory unit for manufacturing.

2.3. Agreement in principle of a 1 unit pilot scheme at Crosslands, Woodville.

2.4. Agreement in principle of a 7 unit scheme at Springfield, Bickington.

The recommendations were **carried** unanimously.

[SS left the meeting at this point.]

3306 Financial Regulations – Kate Blooman

There were no questions.

Recommendation

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

3307 Home2Home Review – Marc Rostock

MJR's report seeks the Board's comment and input in order to facilitate the planned review of the service as set out in the Corporate Plan.

Recommendation

That the Board consider the proposed approach to the Home 2 Home business plan and provide feedback on any areas of particular interest or focus. The recommendation was **carried** unanimously.

3308 Quarter 4 Performance Report – Iain Springate

IS was pleased to highlight the improvement in our on-time response and stressed that the relet period has improved although still below target. The ASB triage system is working very well, with CCT able to deal with many neighbourhood disputes before they escalate.

Responsive repairs was below target overall but Voids, Lettings and relet times are all on target for March.

SP asked if six months was considered reasonable for one, albeit complex, property and MJR said that it is very complicated and needs an options appraisal. SP suggested we engage a specialist and MJR and CF said this has already been done but much time has been lost whilst waiting for them to deliver in North Devon. CF confirmed that we know what the problem is, which is water ingress from the balconies. SP acknowledged the explanation but said we should be more commercial.

Recommendation

That the report is noted alongside Appendix A. The recommendation was **carried** unanimously.

3309 Quarter 4 Performance Report – Kate Blooman

KB presented this report, explaining that this is the first year end position being reported in a group consolidated structure.

There were no questions.

Recommendations

- 2.1. That the Board notes the content of this report and the funder's quarterly returns attached at appendices A and B.
- 2.2. That the Board notes the NDROSH Quarterly Financial and Risk Survey at appendix C and the Smith and Williamson review attached at appendix D.
- 2.3. That the Board notes the exceptions to the Treasury Management Policy Statement as stated in section 5.

The recommendations were **carried** unanimously.

3310 Health & Safety Update – Marc Rostock

DA told the Board that she is its H&S Champion and confirmed that she meets regularly with MJR and Debbie Short and is kept fully informed. She was glad to say that customers have been very reassured by the way NDH handled the incidents. BM asked about the emergency lighting situation and MJR said we do have it in most of our blocks and will be going to go to procurement as there is a lot of work to do with suppliers and the Fire Service. He noted that whilst adequate emergency lighting remains something that we wish to provide that we operate a 'Stay Put' policy. The Fire Service have been working with us to support how we prioritise our actions to have the greatest impact on customer safety. SM asked if we had received any feedback about our building specification and MJR replied that the Fire Service had fed back that the bin store had held up very well and that the building had behaved as it should in this incident. MG added that the Continuous Improvement Group will be looking at this.

SP noted that the compliance appendix is very good board control and thanked those involved for their work on this.

Recommendations

- 2.1. To approve the Health and Safety Policy as set out in Appendix A.
 - 2.2. To approve the Fire Safety Policy as set out in Appendix B.
 - 2.3. To note the contents of this report.
- The recommendations were **carried** unanimously.

3311 Business Plan External Validation – Philippa Butler

PJB asked the Board if there was any further information it required on the 2016-46 Business Plan.

SMu asked if an update on the 2016/17 budget position would be coming back to the Board in July as there were some differences as highlighted in the TIAA report and PJB replied yes.

SMu then referred to section 3 of the Tiaa report (page 7) and asked if the key risks are higher than projected. PJB explained this refers to maintenance expenditure and stress testing and is not specific. SMu then asked why salary cost savings are not being achieved as per page 7 and PJB said they are being achieved and built into the business plan. The risk of not achieving them has been built into the sensitivity testing.

Finally SMu queried the maintenance expenditure figure of £45k per unit and asked what our actual exposure is and why we are at the low end. PJB to supply explanation in the July Board report.

Recommendation

That the Board note the TIAA validation report attached at appendix A. The recommendation was **carried** unanimously.

3312 Bad Debt Write Off 2015/16 – Kate Blooman

SMu congratulated NDH on a very good result and there were no questions.

Recommendation

That the Board notes the content of this report. The recommendation was **carried** unanimously.

3313 Annual Report to Tenants – Marc Rostock

AB asked whether the ART was the right place to mention the shift in focus regarding the current development programme and SP said that AWB is the first of many developments where we intend to build more properties for outright commercial sale. AB cautioned that this may come as a shock to the customers so we need to pay attention to how we put this and SP agreed that we need to be clear and upfront about our intentions.

Recommendations

2.1. That the Board note the progress made with the 2015/16 Annual Report to Tenants.

2.2. That the Board reviews the key content identified and listed in paragraph 4.7.

The recommendations were **carried** unanimously.

3314 Date of next Board Meeting and Close

The next Board meeting will be held on Monday 25 July 2016. The meeting closed at 20:24.

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