



**Minutes of the Trust's Board Meeting held on 17<sup>th</sup> May 2016, 6.00pm at Ropewalks, Macclesfield**

|                       |                    |     |                                      |
|-----------------------|--------------------|-----|--------------------------------------|
| <b><u>Present</u></b> | John Hudson        | JH  | Chairman                             |
|                       | Kate Lindley       | KL  | Board Member                         |
|                       | Tom Agar           | TA  | Board Member                         |
|                       | Alison Light       | AL  | Board Member                         |
|                       | Matthew Cunningham | MC  | Board Member                         |
|                       | Gordon Richardson  | GR  | Board Member                         |
|                       | Paul Findlow       | PF  | Board member                         |
|                       | Tim Pinder         | TP  | Chief Executive                      |
|                       | Greg van Enk-Bones | GvE | Director of Resources                |
|                       |                    | B   |                                      |
|                       | Pauline Gosling    | PG  | Governance Officer                   |
|                       | David Tolson       | DT  | David Tolson Partnership (observing) |
|                       | Kieran Holdcroft   | KH  | Housing Services Manager (observing) |

**1. Apologies for Absence**

Apologies were received from Joy Bishop, Jacqui Sinnott-Lacey

**2. Declarations Of Interest**

KL declared an interest in item 6, communications strategy, she has had some involvement with Frontier through her work although no involvement in this strategy

**3. Minutes of the Meeting Held 15<sup>th</sup> March 2016**

The minutes of the meeting held 15<sup>th</sup> March 2016 were reviewed.

**The Board Decided:**

**540)** That the minutes of the meeting held on 15<sup>th</sup> March 2016 be agreed as a true and accurate record and e signed off by the Chairman.

## 5. **Matters Arising**

### In Depth Assessment Feedback

TP informed Board of the recent IDA result where the Trust retained its V1/G1 rating. The HCA had been very complimentary in their feedback on the process. He went on to say that this was significant for the Board that external verification which included observation of a Board meeting raised no issues. Whilst this is very pleasing we must continue to be mindful of the expectations of our regulator and ensure that we live up to them.

## 4a. **Performance Report to March 2016**

GvEB presented the Performance report to March 2015 – the year end position with 12 green, 2 amber and 2 red indicators.

The report contained a summary showing performance against the three corporate objectives:

1. To be a great landlord – is amber, as it was last year, because 4 of the 6 satisfaction indicators have exceeded their target
2. To Be a Valued Partner to Help Improve Lives – is also amber overall – due to our decision not to continue work placements after the mid year review of the business
3. To innovate and grow the business – is green this year – beating all targets by quite a way

Great Landlord – three indicators have performed well – relating to financial return, satisfaction and customer retention – but the indicator relating to staff engagement reduced midway through the year – from a 95% level to about 70% by the end of the year. GvEB explained that additional questions are being asked about what staff would suggest to make us a better employer.

‘Being a valued partner to help improve lives’ was adversely affected by our decision to stop work experience placements halfway through the year. Other indicators performed well especially digital active homes where the deliver method was changed mid year – switching a dedicated resource to make better use of an existing funded contract.

Innovate & Grow Our Business – this collection of cost and efficiency measures exceeded their targets – some were positively affected by the changes we made by reducing costs in the year, some were positive for other reasons. Non housing turnover and empty cost per home had good demonstrated performance not connected to the changes.

Corporate standard PIs

Financial covenants were all met – and gas safety as good as it can possibly be, 100% compliant at the end of the year and since December 2015 compliant every day of every month.

Benchmarking through housemark shows staff turnover and staff absence in the bottom quartile –we have made changes to our attendance policy and the new year has started positively. Write offs are also in bottom quartile but our top quartile performance on former and current tenant arrears more than compensates for this. Other top quartile performers are calls answered, gas safety and the days to complete repairs.

TP informed Board that work is underway to allow customers to book repairs on line and it may be that if they are prepared to wait a little longer to have repairs completed at time that is more convenient to them. This could lead to a balancing act between VFM and customer satisfaction as satisfaction levels are high because repairs are currently completed quickly.

Board members asked if staff see the benchmarking information for attendance. TP explained that they do see the figures for attendance by team but not staff satisfaction. Staff engagement has been discussed across the Trust.

TP outlined the changes to the attendance policy including tightening up of the triggers as a result benchmarking.

GvEB stated that the corporate plan is currently being redrafted and it is hoped this will provide a more positive future focus for the staff.

The Board Decided:

**541)** To note the year end performance report

**4b. KPI Format Reporting For Board**

Board received a presentation looking at how performance information has been presented over the years and looking forward to reporting for the future. Examples were presented with KPIs based on objectives and risk monitoring concluding with the suggestion of a balanced scorecard. Board were asked to comment on the suggestions.

AL asked if the PI's could be linked in some way to stress testing. TA commented that board would be able to identify trends easily with fewer indicators

JH felt it preferable to keep it simple as other pieces of work will look more closely at risk. He added that if more trend information could be built in then it might be useful in demonstrating how close to target we are.

TA said he would like to see some operational PI's. JH commented that the Board

needs to be clear on what it should be monitoring in its strategic role.

Board members discussed the balanced scorecard in more depth.

GR felt that simplicity was key to communicating the information and that it needs to be graphical.

JH summed up by suggesting that he would like a small group of board members to look at the reporting format outside of the meeting and bring a completed reporting format to the July meeting.

TA, KL and JH offered to work with GvEB to complete the task – dates to be arranged.

**The Board Decided:**

**542.i)** To note the presentation on KPI format reporting.

**542.ii)** TA/KL/JH to work with GvEB and bring a completed KPI reporting format to the July Board meeting.

**5. Mergers, Group Structures and Partnerships**

At its February meeting, Board agreed to defer a decision on the adoption of the NHF Merger Code until the conclusion of discussions with fellow PlaceShaper members as it was felt the NHF code was too long, overcomplicated and too generic. There was a risk of it becoming a charter for larger Housing Associations making multiple approaches to medium sized Associations such as ours, with each and every approach requiring full scrutiny by Board which would be time consuming, a diversion and morale-sapping. There was a further concern expressed that nowhere in the NHF code, were the interests of tenants considered.

On the basis that the Trust is not required to adopt any code but that we do need to develop a clear and consistent approach to handling approaches, it was proposed that in order to provide transparency, openness and consistency and to both to keep it simple and tailored to our circumstances we adopt our own protocol (incorporating some elements of the NHF Code).

TP gave some context to what the Governments thinking is on there being too many housing associations with widely variable management costs leading to a need for consolidation in the sector.

Board members were asked to comment on the proposed protocol presented to them.

GR commented that the report was crystal clear, very timely and he thought it was essential that we adopt a code.

Board members commented on some of the individual criteria within the protocol where they thought they could be further refined. It was questioned whether our geography was sufficiently pinned down to form the basis of threshold criteria. TP responded to say that the precise boundary was less of an issue; it was more about approaches from Associations whose geographical focus made no sense. It was also suggested that requiring Associations to honour our operating independence was unnecessarily restrictive and it was agreed to remove this.

In response to a query TP confirmed that there was provision for where we might take the initiative in seeking a merger partner.

TP explained that the protocol was intended for internal use only and has been designed to identify qualifying criteria important to the ethos and ambitions of the Trust, thus ensuring that time and resources are only taken up considering approaches likely to be in our interest.

The Board Decided:

**543.i)** To approve the threshold qualifying criteria for receiving proposals as outlined

**543.ii)** To approve the Protocol on Mergers and Partnerships

## **6. Communications Strategy**

TP informed Board that in order to address a new operating environment for the Trust, a one off piece of external work by Frontier Public Relations was commissioned to create a Communications Strategy, identify key messages and to provide some development for our Communications Officer. The strategy is intended to address the key messages we want to communicate about the corporate plan whilst resonating with Boards intentions and purpose.

TA commented that whilst he likes the recommendations in report by Frontier, they appear to be going down a more corporate route and we need to be mindful that the Trust has a good reputation for being approachable and we don't want to go too far away from that.

TP reassured the Board that the messages would be tailored to different audiences, so some audiences required a corporate "voice", whilst customers would get a different, more informal, friendly tone of voice, which is being replicated in the drafting of new on-line pages for our self service options.

KL raised several points including whether we are being distinctive enough in some areas, for example around Development and reflecting the importance of some others. She also raised the HCA as a potential stakeholder audience. TP responded to say that current approach to both regulation and funding suggested that they were not a key target. KL offered to discuss the strategy further with TP outside of the meeting.

MC commented that whilst he thought the strategy was fine he wanted to ensure that tenants' comms needs were not missed at the expense of other stakeholders.

JH and TP made it clear that we want to retain a strong comms relationship with tenants and that the strategy is an internal tool only. TA added that he thought the strategy would be a very useful resource for staff.

MC stated that he would prefer to see 'wellbeing' referred to rather than health/healthcare within the strategy. He also identified that in relation to our health and wellbeing services our main selling point is being a trusted brand and there needed to be distinctive messages that reinforced this and not just messages reflective of our housing role. TP endorsed that this was a useful perspective and said he would review strategy in that regard.

JH summed up by stating that he thought this was a very good piece of work which we can be fine tuned to accommodate the points raised.

**The Board Decided:**

**544.i)** To approve the Communications Strategy subject to the revisions suggested

**544.ii)** To adopt the Key Messages set out at Appendix 2

**7.. Conversion to Community Benefit Society**

Following the Board development session in April, there was extensive discussion regarding the Company Status appropriate for the future. There was a strong sense from those present, including our legal advisor Trowers & Hamblins, that conversion to a Community Benefit Society might be most appropriate.

Board received a report to allow them to consider this option more fully. The report captured the points discussed at the development session and included some further information on the merits of becoming a CBS including payment etc.

JH stated that it was good to receive a report that built on the discussions held in April and pointed out that Board are asked to make a judgment on the merits of becoming a CBS and that payment would be a secondary issue.

TP stated that a careful approach to seeking approval from the broader membership would be required.

TA commented that any approach would need to be in line with the comms strategy and the decision requested is about what is best for the Board acting in

the Company's best interests.

PF felt that the preparatory work in reaching this point had been very helpful.

JH summed up by stating that approval was being sought at this point to convert to a CBS and that logistics could be decided at a future date.

#### **The Board Decided:**

**545)** To agree that Peaks & Plains Housing Trust convert from a registered charity with the Charity Commission to a CBS and to seek a Special Resolution written vote.

#### **9. Feedback from Audit Committee 3<sup>rd</sup> May 2017**

GvEB informed Board that as the quorum for Audit meetings is 3 and with one current all members are required to attend. Unfortunately, MC was unable to attend the M but made representations to the committee via e-mail – this was acceptable by the auditor present.

GR gave feedback from the Audit Committee meeting held on 3<sup>rd</sup> May.

Committee reviewed the Internal audit needs assessment report presented by Struthers which outlined the 10 areas of audit work for the next 2 years. These areas with the resources required for each, will be reviewed at annual planning meetings; they remain reflective of the risks facing the Trust.

The Internal Audit reports from the final visit of the 2015/16 audit programme which during February were reviewed, these were:

- HR and Payroll  
Which received substantial assurance with 5 compliance and 2 housekeeping recommendations with no significant points for committee to note
- The Follow Up Report which had 42 Recommendations  
Of these 42 recommendations, 40 were signed off as complete by internal audit, 1 had a date and 1 remains outstanding

Committee reviewed the Annual Treasury Report and Financial Strategy and recommended them to Board for approval tonight

Grant Thornton outlined the work they will be carrying out to finalise the accounts, committee reviewed the timetable and its responsibilities in preparation of the accounts which will be reviewed again at our July meeting before coming to Board for approval.

Committee received and reviewed the 6 monthly summary of complaints

Following on from our request to look at 1 risk in more depth at each meeting, we presented a presentation on Pensions which is recorded as one of our top strategic risks.

All the reports and the risk presentation are available on the App.

JH raised the issue of quoracy informing Board that Joy Bishop (who is also a member committee) has given notice that she intends to step down from the Board at the which creates a potential problem, not just for committee but for the Board also. over to GvEB to explain further.

GvEB explained that the main issue is with the quoracy for the Audit committee which members down at the end of July and normally we would ask another Board member Governance committee to stand in.

With Board having agreed to pursue conversion to CBS it is felt better to carry the vacancies now which means that under our current rules, AL needs to be present at every Board

It was suggested that Audit and Governance committees be held at the same time with members present as a temporary measure until conversion to CBS is finalised. The meetings would be held wherever possible on dates already set.

JH summed up by stating that despite extensive efforts by EMT it has proved very difficult to recruit a Tenant Board member and GvEB's suggestion seems to be the best way to solve a practical problem.

#### **The Board Decided:**

- 548.i)** To note the feedback from Audit Committee
- 548.ii)** To hold Audit and Governance committees on the same date from July 2016 with members present
- 548.iii)** To carry 2 Tenant Board member vacancies from July 2016 until conversion finalised.

### **13. Review of Policies**

#### Treasury Management Policy

The Treasury Management Policy was reviewed by Audit committee at its meeting in February and recommended for Board approval. The Policy and Practices cover all potential issues with regard to good treasury management, and follow the format recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice

#### Equality & Diversity Policy

The E&D policy is Following benchmarking with other organisations, checks of equality and diversity legislation and consultation with employees and residents

The Policy sets out the Trust's commitment to understanding the diverse needs of



its staff and customers and sets out the level of service that can be expected by our customers. It demonstrates our commitment to adapting our services to meet customers' needs ensuring no-one is unfairly disadvantaged.

MC raised the fact that the Trust is not subject to Public Sector Equality Duty (PSED) as a housing association. However if it is to take on contracts to deliver services on behalf of the health service or local authority who are subject to PSED then this could change the obligations of the Trust.

TP agreed to carry out checks to determine whether the Trust is bound to comply with PSED

**The Board Decided:**

**549.i)** To approve the Treasury Management Policy

**549.ii)** To approve the Equality & Diversity Policy subject to checks on the Trust's duty to comply with PSED

**11. Any Other Business**

GvEB requested Board approval to changes to the Standing Orders as follows:

- Addition of the subsidiaries to the Standing Orders Summary
- Removal of the Pets Policy which is covered in the Tenancy management Policy and Tenancy Agreement
- Removal of the Harassment Policy which falls within the ASB and Safeguarding duties

**The Board Decided:**

**550)** To approve the requested amendments to the Standing Orders

Signed



Date: 19 July 2016