



PEAKS & PLAINS
Housing Trust

Minutes of the Trust's Board Meeting held on 19th July 2016, 6.00pm at Ropewalks, Macclesfield

<u>Present</u>	John Hudson	JH	Chairman
	Kate Lindley	KL	Board Member
	Tom Agar	TA	Board Member
	Alison Light	AL	Board Member
	Joy Bishop	JB	Board Member
	Gordon Richardson	GR	Board Member
	Paul Findlow	PF	Board member
	Jacqui Sinnott-Lacey	JSL	Director of Operations
	Greg van Enk-Bones	GvEB	Director of Resources
	Pauline Gosling	PG	Governance Officer
	David Tolson	DT	David Tolson, DT Partnership (item 6 only)
	Chris Twomey	CT	Assistant Director of Housing (items 7 & 8)
	Kieran Holdcroft	KH	Housing Services Manager (item 7 only)
	Paul Jackson	PJ	KickStart Stop Smoking Service Manager

1. Apologies for Absence

Apologies were received from Tim Pinder, Mathew Cunningham

2. Declarations Of Interest

There were no declarations of interest

3. Minutes of the Meeting Held 17th May 2016

The minutes of the meeting held 17th May 2016 were reviewed.

The Board Decided:

551) That the minutes of the meeting held on 17th May 2016 be agreed as a true and accurate record and be signed off by the Chairman.

4. Matters Arising

KL confirmed that she and TP had met and discussed the communication strategy further.

5. Chairs Executive Actions

Board received a list of three executive actions taken by the Chair between meetings and were asked to endorse them. The background documentation is available to board members on request.

The Board Decided:

552) To approve entering into a contract with Cheshire East Borough Council for the provision of Provider Plus (including specialist stop smoking service) as part of the Cheshire East Integrated Lifestyle and Wellness Support Service.

553) To approve the current Customer Experience Policy with no changes to be reviewed following the first year implementation of the digital plan in 2017 to ensure that the new access points standards are clearly defined for customers.

554) To approve the Company Membership (Admissions) Policy and to suspend any new applications for company membership whilst conversion to CBS is being considered.

6. Board Appraisals and Review of Performance

DT explained that his brief had been to:

1. Verify the individual Board member appraisal process
2. Provide an assessment of the whole Board by observing the meeting on 17th May
3. Provide an appraisal of the Chair

During the process DT was also asked to comment on the review of the performance of the two sub-committees and to advise on the best way forward with these given the current number of people on the Board.

The report received by board members covers all these issues with the exception of the Chair's Appraisal which will be reported separately to the Governance

Committee.

DT was able to confirm that the Board complies with the NHF Code of Governance, meeting all expectations and in his view is developing well as a relatively new Board.

The action points from the report include:

- The detail from the future planning section of the Individual Appraisals needs to be incorporated in the Board Member training and development plan
- Consideration to be given to the inclusion of timings on the Board Agenda
- Actions agreed following the review of the Audit Committee effectiveness to be clarified
- Composition of the Sub-Committees to be reviewed.

DT stated that whilst the board has adopted a pragmatic response to quoracy problems by combining the committees for now, they should be separated again in the long term. He went on to suggest bringing other non Board members onto the committees.

JH stated that he would like to get back to separate Audit and Governance committees soon and would like further discussion around bringing others onto the committees which could possibly lead to bringing along future Board members.

JH requested that Governance committee review the Chairs appraisal to set objectives for the coming year, to reflect on the points included in the whole Board appraisal and monitor the actions.

JB raised concern regarding confidentiality in bringing other people onto the committees. It was explained that they would be required to observe the same principles and protocol of an existing Board member.

DT left the meeting

JH summed up by stating that although DT's report did not include a lot of recommendations, this should be seen as a positive.

The Board Decided:

- 555.i)** To note DTP's report on Board appraisal.
- 555.ii)** Governance committee to review the Chair's appraisal and set objectives
- 555.iii)** Governance committee to review the recommendations within the report and monitor the actions

7. Kick Start – new Lifestyle and Wellness Contract

KH introduced PJ, manager of the Kick Start stop smoking team which recently transferred to the Trust as part of the Cheshire East Integrated Lifestyle and Wellness Support Service, referred to in item 5.

KH gave a presentation highlighting the services contained within the system, known as 'passport to health'.

KH informed Board that the Trust is attending meetings with Public Health and having an influence around commissioning fully integrated services.

AL commented that mental health was included in the service, CT confirmed that a tender was out at the moment for early intervention/prevention.

Following a question from JB, PJ explained how the team monitor the success of clients stopping smoking.

GR asked for an explanation of the brokering system and what the KPI for us is. KH explained that access to the service will likely be the KPI although targets have yet to be agreed as this is a completely innovative service not done before in Cheshire East.

CT confirmed that this is the third non housing service that the Trust offers across Cheshire East.

JH summed up by thanking KH and PJ for attending. He felt that the presentation was very interesting and would like a few more spotlight on services to be brought to Board.

The Board Decided:

556) To note the presentation on the new Lifestyle and Wellness contract.

KH and PJ left the meeting

8. Challenge Group Impact Assessment

CT presented the Impact Assessment report provided by the Challenge Group. The report measures the effectiveness of all resident Involvement activity undertaken by the Trust from July 2015 to March 2016. The full impact assessment was available as an appendix.

CT commented that the Trust is seeing the way it engages with customers changing and moving to more digital contact which has resulted in an increase in involvement of 60%. He also informed Board that Challenge Group are very much in favour of digitisation. In the future there will be less direct community based

activities in the resident involvement framework although engagement will not reduce as a lot of this work is being delivered through contracts, e.g. LifeLinks.

JH asked for an explanation of Challenge Group's statement that the cost of informal complaints is high. CT explained that the actual costs are not high, the proportion of informal complaints has increased suggesting an increase in cost, however the total cost for this service area has remained the same. The Trust welcomes complaints as they help improve services and offer value for money feedback.

KL asked how visible the impact assessment is to the rest of the organisation? CT confirmed that the teams impacted are very aware but perhaps it could be circulated more widely.

The Board Decided:

557) To note the Challenge Group Impact Assessment

CT left the meeting.

9. Community Benefit Society – report from Trowers and written resolution

Following agreement to convert to Community Benefit Society at its May meeting, Board received a detailed report from Trowers Solicitors together with an action plan leading to conversion.

Board was asked to agree the action plan and written resolution for conversion. GvEB pointed out that we are relying on outside organisations to supply some of the information and consent to the plan and that there would be a risk of delays because of this.

JH asked how the consultation process was going. GvEB confirmed that consultation was taking place with tenants via an article in the current newsletter. The article reinforces to tenants that nothing in their tenancy agreement will change as a result of conversion. Any questions arising from the article will be delegated to the Chair for response. PG to circulate the article to Board members.

The Board Decided:

558.i) To approve the timetable for conversion to Community Benefit Society

558.ii) To agree the written resolution to be put to the members of the company

10. BrExit Implications – verbal update

Board members received a briefing note on the economic outlook post Referendum result and expected Brexit in advance of the meeting. GvEB outlined the main points including:

- **Interest rates** which are expected to be between 0.4% and 0.5% lower than previously assumed – beneficial to P&P as it could reduce the cost of future borrowing
- **Borrowing margins** are fixed for P&P's next £25m of borrowing – longer term rates are unclear - no impact on the current business plan
- **Inflation** is expected to be higher based on import costs. CPI (assumed to drive income) c0.9% higher in the medium term; RPI (assumed to drive costs) 0.1% to 0.3% higher. Small effect on the business plan as effects both income and expenditure at the same time.
- **Counterparty credit ratings** Ratings remain acceptable but outlooks have been downgraded i.e. from stable to negative [Barclays, Santander and Warrington BC] or from positive to stable [Nationwide]. No significant impact
- **UK Economy** – GDP forecasts are 0.5% lower for 2016; 2% lower for 2017; unemployment expected to increase from 5% to 7.1%. Fall expected in business and consumer confidence and spending, which has been the key driver of economic growth in recent years. This is the main risk to the public finances – which could lead to public spending cuts to balance the books. The abandonment of the 2020 budget surplus target, however, offers hope that some public investment might be used to generate growth and social housing could be part of this.
- **Housing market** - Current opinion is there will be a price correction rather than a full crash. PwC is forecasting house price increases of +3.1% (2016); +0.9% (2017); +4% (2018 onwards). Pre referendum was c+5.5% per year. Note, there will be significant regional variations to this. This has an impact on the availability of s106 opportunities and the marketability of Shared Ownership Properties

JSL outlined some of the potential impacts of BrExit from the housing sector point of view including:

- **Changes in Government Personalities** including the appointment of Gavin Barwell as the 5th housing minister since 2010 and the potential for housing policy to become more London centric. Whilst Gavin Barwell has stated his commitment to increasing housing supply, there is no information yet on whether the previous commitment to build targets will be maintained.
- **NHF** are lobbying Government to be more flexible on grant funded tenures
- **Voluntary RTB** whilst linked to old regime, not expected to be scrapped as it is a core Government policy, it may however wither on vine due to a lack of treasury funding.

- **Construction** Rumoured to be a downturn in construction /recession as buyers and land owners 'wait and see' with a counter cyclical solution being discussed with housing associations being spoken about as the classic counter cyclical solution to housing market downturn.
- **Local Government** New communities secretary has warned there would be no new funding for local authorities
- **DeRegulation** Currently paused
- **Procurement** will continue to be bound by EU procurement rules until this legislation is repealed or replaced. UK courts will continue to hear challenges for breaches of the Regulations

The Board Decided:

560) To note the update on BrExit implications

13. Performance Report

At its meeting in May, Board agreed that a working group of Board members would review the performance we measure. The group agreed that fewer clearer measures are required rather than trying to measure things that are hard to measure. It was also agreed that risk can be monitored separately and also that social goals can be measured in a more narrative way, on an annual basis and ad hoc.

GvEB presented an early version of what the measures will be set around four strategic aims:

- To increase the number of homes we provide, including homes ownership options.
- To provide services customers would recommend, helping customer be self sufficient and independent - delivery through more efficient and convenient channels
- To diversify income streams to generate income and reduce exposure to government changes
- To get the foundations right including rent collection, gas servicing etc. (i.e. ensuring that we are building future growth on solid foundations).

Under each of these headings KPIs have been identified to indicate measurement of them, not a set number but the number that seems right given the level of risk and what needs measuring.

GvEB explained that some of the indicators are blank at the moment and, where relevant, historic information is included along with benchmarking and trend information. The idea is that the manager responsible for the KPI will provide a new forecast for every future month when they provide their actual info.

For this set the forecasts are as budget/target and have not been updated to

reflect current performance.

- Rent collection and Gas safety are positive and on track.
- Empty properties indicators are over achieving, which is good but Board may wish to challenge in future that the forecasts are too high given the current performance.
- New development starts were forecasting an increase in June, which were now deferred to the next quarter – There were 27 starts in June.
- New home completions forecast was underestimated in June at 13, we actually completed 26
- A new indicator takes into account stock losses and monitors net stock growth.
- Risk monitor of unsold units – there is work to do on forecasting here, but the managers have not had the new system fully introduced yet.
- Responsive repairs satisfaction is achieving target, this indicator was chosen because it is a good predictor of overall satisfaction.
- GvEB explained that there are 2 indicators we haven't produced yet and we will have a better idea how to do this next time, they relate to - % self sufficient customers and % of customer who would recommend us to Friends and Family.
- Diversity of income streams – GvEB proposed changing this to a year to date measure to even out some of the bumps. Also relatively small variances are causing amber light there which was against one of the principles of this new set of measures.

GvEB invited feedback on the format.

GR commented that the format was a huge improvement and that the commentary was critical therefore it needs to be right.

KL commented that the net promoter score will be interesting to see as this has worked well for some but not so well for others.

JH thanked GvEB for the work put into devising the new set of measures.

The Board Decided:

563) To note the performance dashboard to May 2016

14. NHF Directors and Officers Insurance

The Trust is affiliated to the National Housing Federation who, as part of the membership fee, provide 'Directors and Officers' liability insurance up to a limit of £7,500,000 for any one event. The NHF covers all members of the NHF which would dilute the cover based on a national event impacting all associations.

GvEB explained that this NHF Policy needs to be brought to the Boards attention and the following minute agreed in order for the policy cover to remain valid:

"It was reported that the National Housing Federation has purchased an Indemnity Policy protecting all Board, committee or staff members and volunteers from claims made against them in their capacity as representatives of the organisation.

It was noted that cover for the organisation under such policy is conditional upon immediate notice in writing to the insurer of any claim made against any person insured by the policy or of the receipt of notice from any persons of intention to make a claim against any person insured by the policy.

Accordingly, it was agreed that if any Board Member (present or absent) or senior executive is aware of any such claim or any such notice of intention or of any circumstances or incident which may give rise to a claim he or she will immediately notify the Secretary of the organisation in order that notice in writing together with all relevant details can be submitted to the insurer. Notification of this minute has been made to all Board Members and senior executives who are required to make necessary disclosure to the Secretary." No circumstances or incidents were declared in relation to this requirement.

The Board Decided:

564) To approve the minute in respect of the Directors & Officers liability insurance with the National Housing Federation.

13. Annual Safeguarding Update

Board received the annual safeguarding update report for information

The Board Decided:

565) To note the annual safeguarding update

Any Other Business

GvEB requested Boards review and approval to the regulatory return pointing out that the slight difference from the March approved business plan. The differences are because of new accounting standards only and do not affect the underlying business plan and present no risk.

GvEB explained the differences in a presentation which included:

- Lower housing depreciation in FFR because the treatment of new developments
- Amortisation of government grant as income instead of net against the cost of the property
- Part of Head office treated as an investment property is not depreciated

566) To approve the reconciled business plan to the Financial Forecast Return

JH passed on his thanks and those of the other Board members who were able to attend the tenth anniversary celebrations for a very enjoyable and well organised event. The films shown during the event will be simplified and shared with other Board members.

The meeting closed at 8.10pm

Signed:

A handwritten signature in black ink, appearing to read "John Hudson". The signature is written in a cursive style with a large, sweeping initial 'J'.

Date: 20 September 2016