

Minutes of the Trust's Board Meeting held on 15th March 2016, 6.00pm at Ropewalks, Macclesfield

<u>Present</u>	John Hudson	JH	Chairman
	Joy Bishop	JB	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	
	Jacqui Sinnott-Lacey	JSL	Director of Operations
	Pauline Gosling	PG	Governance Officer

1. **Apologies for Absence**

Apologies were received from Kate Lindley

2. **Declarations Of Interest**

All Board members and Staff present declared an interest in item 13, the expenses policies review

3. **Chairs Executive Actions**

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

The Board Decided:

526.i) To increase supported housing rents by CPI +1%; which equates to 0.9% for one year as allowed by Government e reference month.) To implement the increase to 1275 tenants.

526.ii) To approve the revised Complaints Policy Statement

4. **Minutes of the Meeting Held 2nd February 2016**

The minutes of the meeting held 2nd February 2016 were reviewed.

TP stated that during the IDA discussions with the HCA that took place after the last meeting, the board meeting attended by the inspectors was not mentioned and as their work appears to be reporting on exemptions, this could be a sign that they were satisfied with what they saw.

JH stated that regardless of the HCA presence, he felt that board members got a lot from the

quality of the reports and the debate held as a result of them and thanked everyone for their contributions.

TP informed board that he met with the local NHF rep recently and on hearing the feedback of our experience of IDA, her view was that it was quite unusual to have such a straight forward experience and that should be taken as positive.

The Board Decided:

527) That the minutes of the meeting held on 2nd February 2016 be agreed as a true and accurate record and be signed off by the Chairman.

5. Matters Arising

Communications Strategy – TP informed Board that the first draft of a communications strategy has been provided by Frontier public relations. The strategy was commissioned to identify what messages the Trust needs to communicate around the 3 corporate objectives and how best to communicate this to staff and customers.

Following some recent negative press relating to redundancies, the strategy aims to set a plan to put the Trust on the front foot when announcements are made by Government etc affecting the sector. TP hopes to bring the communications strategy to the next board meeting.

AI asked if it would be possible to split the content of the customer magazine, PlainSpeaking, to reflect the corporate objectives. This was endorsed by other board members.

JB also asked if it would be more cost effective to e-mail the newsletter to those customers the Trust holds e-mail addresses for.

Voluntary Code on Mergers – TP reminded Board that members of Placeshapers are contemplating putting together their own version of the code. There is a meeting of Placeshapers on Monday and a report may be available for the next board meeting.

6. In Depth Assessment Feedback

TP informed board that the HCA inspectors seemed quite happy with everything they had seen, both at the board meeting and in the documents submitted.

There were however two issues that they highlighted as they didn't know how these would be viewed by their validation panel:

Whether the board have sufficient assurance around the stock condition survey

TP reminded board that a full survey was carried out around the time of transfer and since then the assumptions that inform the financial plan have been tested and validated. The HCA view was that as stock condition data was collected internally an external validation would give the Board assurance. The external validation has now taken place providing substantial

assurance that the data was accurate and we are confident that the excerpt from the business plan paper on tonight's agenda will address this concern.

Sensitivity Analysis

We previously ran a series of tests that set out how we would meet covenants – single issue variances. Last year the HCA wanted associations to stress test a number of scenarios that would break the plan. The business plan submitted in September contained the stress testing but not the variance testing – this has been put right in the business plan paper on tonight's agenda which will be submitted to HCA.

TP informed board that the inspection team submit their findings to their director to confirm our ratings, if nothing changes then we won't hear anything from them other than confirmation of the rating.

JH summed up by stating that he originally thought that the IDA timing was very early for such a newly formed board but retrospectively thinks it was at a good time which will allow the board to move forward.

Board members discussed ratings and how V2 is now seen as the norm. If the Trust retains its V1 rating then this could be helpful in discussions with developers and partners.

The Board Decided:

528) To note the In Depth Assessment Feedback

8. Increasing Development Capacity

Following the Away Day discussion in January where Board expressed aspirations to increase development over the next 4 years, JSL presented a report outlining plans for increasing potential development over and above the fully funded development programme included in the business plan.

JSL requested board to agree a set of criteria to ensure that any future schemes added to the financial plan meet their priorities to ensure that developments are focussed and not site led.

The priorities suggested by board at the Away Day were as follows:

- Meets with our geographic priorities set out in the asset strategy
- Supports local economic development & HS2 corridor development & regeneration
- Supports our focus on master planning/ area regeneration
- Supports public/private investment
- Meets our sustainability & demand criteria
- Outline planning approval achieved
- Option on the site achieved
- Meets our business plan scheme assumptions & risk appetite.

Approval for new unfunded schemes moving into the financial plan must meet this criteria set out above; similarly substitution for a scheme failing within the early part of the programme

can take place providing it meets the agreed criteria. This will ensure continued deliverability of the overall plan and will give us the ability to act quickly if required.

JSL informed board that it is intended to commission Savills to produce a report on potential demand for shared ownership across Cheshire East and High Peak.

Board members discussed potential areas for future development and links to employment and education and key workers.

GR stated that development needs to fit into a bigger picture and a closer relationship with Macclesfield's regeneration team may be of benefit.

JSL confirmed that EMT have discussed the option of being more proactive and maybe taking the lead on site identification and land assembly in the town centre redevelopment.

GR commented that there might be an opportunity with the new Town council to have input into the local plan.

TA asked if HMO's have been considered. TP said that some associations are beginning to look at shared accommodation. JSL commented that while this type of accommodation has high management costs and, if not supported by increased management, there is also the possibility of reputational damage.

PF commented that 40 shared ownership properties seems modest and he assumed that this was just to feel the way. JH confirmed that is the case.

JH asked board to help JSL and the development team by endorsing the criteria previously mentioned, he would also like to see added to the criteria – where a scheme might help to deliver another part of the Trust's business, eg, economic development and the link to Macclesfield regeneration being spelled out more.

GR commented that it is not just about Macclesfield.

Board was assured that the development team are making sure the Trust's name is known by land buyers and developers and the fact that funding is available in our plan. TP reiterated the corporate objective 'to grow the business responsibly' and confirmed that the Trust would not bid at any cost.

JH summed up by stating that the Board can make SMART decisions and adjust the business plan as we go along. Overall we have a SMART strategy with a growth agenda built in and can draw down the WBC loan as and when it is required.

MC commented on the potential release of public estate land within communities and that the Police and Fire services are to share buildings which may create development opportunities in the future.

JH commented that its all about engaging in the dialogue

The Board Decided:

- 530)** To approve the criteria for approving additional schemes to the development plan.

9. Performance Report to January 2016

Board received the performance report to January 2016 which shows 11 green, 3 amber and 2 red indicators GvEB reported on the red indicators:

Staff engagement – we saw a small increase but this still seems to have been affected by reorganisation. We have commenced a management training programme with all tiers of managers to reinforce our behaviour framework and to refocus and re-energise staff and start to focus on the future.

Maximise operating cost efficiency – as discussed at the last meeting – we haven't had the contracts to renew at the right time – the Insurance tender delivered £100,000 annual savings alone but this does not commence until April. This indicator was designed to make sure that at the point of retendering a target was set for improvement which has been done where we have had the opportunity.

JH said he would like board to discuss staff engagement again once the communications strategy is in place as he felt that they have a part to play.

AI commented that to go from being well placed in the Times 100 to this appears to be a complete mismatch. TP explained that there are still ripples being felt from the redundancies and that a series of management training is underway to address this. The next phase of the communication with staff will be to remind them that we are staying true to purpose.

Board members questioned whether the staff know who they are and what they do. TP assured board that staff are updated from board at monthly staff briefings, he also stated that this summer will be the Trust's 10th anniversary and therefore they may be the opportunity for the board to mingle with staff.

The Board Decided:

- 531)** To note the performance report to January 2016

10. Feedback from Audit Committee

MC gave feedback from the Audit Committee meeting held on 11th February stating that most of the agenda items have been or are about to be discussed at this meeting and the reports are available via the App. Other items on the agenda included:

- Notification from the ICO that no action is needed on the recent data breach as they were satisfied that sufficient safeguards have been put in place

- An update on the fraud investigation which resulted in the conviction and imprisonment of a former employee
- Review of the Terms of Reference and Committee effectiveness
- Audit report updates
- Review of the Treasury Management Policy which will be brought to the May board meeting
- A good deal of challenge in the review of risk and the golden rules which are part of the business plan paper tonight
- Approval of the rent collection and arrears management policy
Policy reviews
- Committee were informed of a further minor data breach which has been contained

The Board Decided:

532) To note the feedback from Audit Committee

11. Feedback from Governance Committee

PF gave feedback from the Governance Committee meeting held on 8th March, again, some of the items are on tonight's agenda and the reports are available via the App. Other items on the agenda included:

- Committee received feedback on the annual pay negotiations
- Review of the Terms of Reference and Committee effectiveness
- Review of the Chairs objectives
- Review of the chairs remuneration – set at 0% to match staff
- Tenant Board member recruitment update
- NHF Code of Governance compliance checklist which will be brought to the may board meeting

The Board Decided:

533) To note the feedback from Governance Committee

12. Standing Orders Review

GvEB informed Board that the NHF code of compliance specifies that Standing Orders are subject to annual review, the documents included in the Trust standing orders are available to Board in spate folder via the App. The key documents requiring review, other than those presented to Board tonight are:

- 00 Standing Orders summary
- ST02 Essential Functions of the Board etc.
- ST10 Framework for approving strategies, policies etc.
- ST13 Standing Orders to EMT

Board were asked to approve three documents from the standing orders which have been recently reviewed:

- Audit committee terms of reference
 - Reviewed by committee at its meeting on 11th February
- Governance committee terms of reference
 - Reviewed by committee at its meeting on 8th March
- Scheme of Delegation & Financial Regulations
 - Reviewed by audit committee on 11th February following internal audit committee recommendations

Whistle blowing appears on the list of policies twice, stating approval by Board and also by committee. Board were asked to determine what the correct approval route is.

Board were also asked to agree a request to remove the drug and alcohol policy and combine it with the health and safety policy which had been reviewed and approved by EMT earlier in the day.

The Board Decided:

- 534.i)** To approve the Terms of reference for Audit and Governance Committees for inclusion in the standing orders
- 534.ii)** To approve the scheme of delegation and financial regulations for inclusion in the standing orders
- 534.iii)** To review the remaining documents in the standing orders
To delegate approval of the whistle blowing policy to audit committee
- 534.iv)** To approve removal of the drug and alcohol policy from the policy framework for inclusion in the health and safety policy.

13. Review of Policies

Board were asked to approve several policies which had reached cyclical review. The policy changes have been consulted with Employee Forum and Challenge Group where appropriate and the policies have also been reviewed by EMT and the relevant committee.

Board members had an issue with inconsistencies in the mileage rates in the expenses policies.

Following discussion Board requested that the expenses policies remain as they are and be aligned and brought together in one policy for the next annual review.

The Board Decided:

- 535.i)** To approve the whistle blowing policy
- 535.ii)** To approve the remuneration policy
- 535.iii)** To approve the code of conduct
- 535.iv)** To leave the mileage rates in the board, customer and staff expenses policies as they are and align the policies for the next annual review.

14. Subsidiary Governance Arrangements

Board received a report from Anthony Collins solicitors setting out the options available for governance of the subsidiaries along with an intra group agreement for approval.

GvEB recapped that these are the final documents requiring agreement in order to formally set up the subsidiaries. He stressed that creation of the subsidiaries is primarily to save tax and whilst some other associations have complicated governance structures, we would like to keep the structure simple and . Anthony Collins are providing legal advice to the Trust whilst Grant Thornton are providing tax advice.

Firstly the intra-group agreement.

Secondly the various other documents that go between the three companies.

Thirdly the report on governance and co-terminus boards.

The Intragroup agreement ensures that Peaks & Plains Housing Trust is in absolute control and also to be clear that procurement rules don't apply when procuring within the group. It also ensures that the Trust continues to meet the requirements of its selected governance code.

There is a report from the solicitors on the IGA.

The full co-terminus board idea seems to absolutely fit with our vision for what the tax saving group should be – no different from how it was before but with lower tax costs. The governance committee reviewed this report last week and support the recommendation to move towards a co-terminus board. We don't want this to hold up any progress setting up the subsidiaries so we want this board to approve entering into the other agreements here before co-terminus board structure is complete. Since through the IGA this is all on the parent companies terms – we don't see any risk in this

Board members asked if the subsidiaries would mean additional meetings for the Board members. GvEB explained that any subsidiary business would be dealt with at the same time as the scheduled Board meetings under a separate heading. There may be a requirement for one additional meeting per year to look at the accounts.

The Board Decided:

- With regard to the IGA, in accordance with Anthony Collins report:
- 536.i)** To note the contents of the Anthony Collins report (appendix A);
 - 536.ii)** To approve the terms of the IGA;
 - 536.iii)** To delegate authority to the Director of Resources to agree the final terms of the IGA (including making any minor amendments where required to ensure that its terms properly reflect the governance arrangements in place); and
 - 536.iv)** To authorise any two authorised signatories to execute and deliver the IGA (the Company Secretary and a Board Member).
- With regards to Peaks & Plains Devco
- 537)** To delegate authority to the Director of Resources to agree the final terms of:
 1. A contract to provide services to PEAKS & PLAINS DEVCO

2. A Design & Build Agreement with PEAKS & PLAINS DEVCO
3. A pro-forma Parent Company Guarantee for PEAKS & PLAINS DEVCO to issue to contractors in accordance with the Trust's usual procurement rules.

The above would need to then be signed by the Company Secretary and a Board Member)

With regards to Peaks & Plains Tradeco

538) To delegate authority to the Director of Resources to agree the final terms of:

1. A contract to provide services to PEAKS & PLAINS TRADECO
2. A Deed of Gift to PEAKS & PLAINS TRADECO
3. A Solar Licence to PEAKS & PLAINS TRADECO

The above would need to then be signed by the Company Secretary and a Board Member)

539) To move towards full co-terminus board by removing GvEB and JSL from Board Membership and adding all CPPHT Board Members to Subsidiary Boards membership

15, Any Other Business

There was no other business

The meeting closed at 8.15pm

Signed



Date 17th May 2016