



**PEAKS & PLAINS**  
Housing Trust

**Minutes of the Trust's Board Meeting held on 23<sup>rd</sup> January 2018, 6.00pm at Ropewalks, Macclesfield**

<b><u>Present</u></b>	John Hudson	JH	Chairman
	Matthew Cunningham	MC	Board Member
	Paul Findlow	PF	Board member (from item 7)
	Sam Knuckey	SK	Board Member
	Alison Light	AL	Board Member
	Kate Lindley	KL	Board Member
	Simon Leighton	SL	Board Member
	Gordon Richardson	GR	Board Member
	Tom Agar	TA	Board Member
	Jamie Hutchinson	JaH	Director of Customers
	Tim Pinder	TP	Chief Executive
	Greg van Enk-Bones	GvEB	Director of Resources
	Anne Preece	AP	Challenge Group Chairperson (item 6 only)
	Helen Hurst	HH	Interim Customer Experience Team Leader (item 6 only)
	Pauline Gosling	PG	Minute Taker

**1. Apologies for Absence**

Apologies were received from Nikki Pearson

**2. Declarations Of Interest**

There were no declarations of interest

**3. Minutes of the Meeting Held 21<sup>st</sup> November 2017**

The minutes of the meeting held 21<sup>st</sup> November 2017 were reviewed.

**The Board Decided:**

**645)** That the minutes of the meeting held on 21<sup>st</sup> November 2017 be agreed as a true and accurate record and be signed off by the Chairman.

**3a. Matters Arising**

JLH asked if the revised funding strategy was making reasonable progress. GvEB replied that it was and would be covered in the CEX briefing.

- The shareholder policy was approved at Governance Committee on 9<sup>th</sup> January
- GvEB attended the Challenge Group meeting to explain the rule change to designation of Shareholders which was received well.
- Acquisition of the HSS building was completed

## 5. Chief Executive's briefing

### Nationally

- Cabinet Reshuffle - the former Housing Minister Alok Sharma gained a lot of credibility from the sector, he met with groups of tenants and landlords at roadshows across the country to understand their issues and concerns. There proved to be a bit of a North/South divide with tenants in the North seeming to be more satisfied with the day to day services received but concerned about redress when things go wrong.
- Dominic Raab is the new Housing Minister and is seen as a rising star - he's committed to continuing the dialogue that Alok Sharma started with one roadshow left to complete.
- Esther McVey, one of our local MP's was appointed as Secretary of State for DWP - this could be significant for us in relation to the risk around Universal Credit.

### Locally

- TP met with David Rutley recently to talk through ambitions for Sunderland Street which were enthusiastically received.
- TP has spoken at a couple of HQN conferences recently on the delivery of housing management. Both were interesting events, TP's presentation was linked to our cultural changes - treating customers as adults and the same for relations with staff. TP explained that this means us being really clear on what customers can expect from us as their landlord and what we expect from them. This concept has also been used in driving the 5 year plan.

### Trust

- Following on from the feedback from the Housing Ministers roadshows with tenants, TP advised that the Trust has tried to get ahead by looking at our own complaints procedure and the customer journey. The complaints procedure appears to be a bit more complicated than it needs to be in terms of getting back to customers and looking at trends. TP informed that improvements will be implemented in the weeks and months to come.
- An IMT (Incident Management Team) meeting was held recently - looking at disaster recovery etc. in the event of a major emergency
- Meeting has taken place with Barclays around our appetite for further borrowing. Pleasantly surprised at their appetite and willingness to lend.

## 6. Challenge Group scrutiny review of Fixed Term Tenancies

AP gave summary of the report stating that the majority of Challenge Group had not heard of a fixed term tenancy and that people still have the perception that a tenancy is for life which is reflected in recommendations.

The review took place early last year and was presented to management in the summer with 14 recommendations - 9 were accepted, 3 were in the process of being implemented and 2 not accepted.

Of the 2 recommendations not accepted, AP stated that Challenge Group were happy to accept the reasons for not taking up one of them around contact with customers 3 months into their tenancy. However, they felt that the Board needed reminding that not everyone has digital facilities.

AP thanked the management and staff and particularly Helen for their assistance in the review.

JH thanked Challenge Group for a really good, well laid out report containing practical recommendations. He was concerned at the time taken in getting the report to Board which meant that many recommendations had already been implemented and asked that this be looked at. JH also asked for further explanation to help Board understand why 2 of the recommendations were not taken up.

JaH explained that in relation to recn 11 - taking photos of void properties, our turn round time is key and the only opportunity to take photos would be when the property first became void which would not get the best images and also be time consuming.

In relation to recn 14 - staff contact customers 3 months after sign up to ensure that they have all of the information and support that they need to have a successful tenancy. JH explained that this comes down to the relationship our customers want with us - some only engage with us for the payment of rent and reporting repairs.

AP confirmed that Challenge Group's thoughts were that a phone call would suffice to customers who do not have digital facilities.

JH confirmed that we want to get to position of sustaining tenancies and asked if there is a way of making contact at 3 months which is of value to both parties.

TP stated that most tenancies which fail early are as result of arrears so we do have contact in those cases.

JaH commented that the relationship with customers is going to change with increasing vulnerability and mental health issues.

Board members suggested several ways of enquiring if customers were aware of other services available to them.

JaH explained that our experience was that many tenants do not want to be contacted.

TP suggested that General Data Protection Regulation 2018 will allow us to ask customers whether and how they wished to be contacted.

JH summed up by stating that Board are happy to agree the recommendations from Challenge Group with 2 recommendations not being taken up.

**The Board decided:**

**646)** To approve the 12 recommendations that have been accepted within the Challenge Group Inspection report on fixed term tenancies

**7. Risk Map**

Board received a report presenting a regular review of the strategic risk map.

GvEB flagged up the top strategic risks for the Trust for the Board's approval and confirmed that changes have been made to reflect the latest Sector Risk Profile report from the HCA – now the Regulator of Social Housing (ROSH).

The report also recommended removal of the risk items that record every objective of the current 5 year plan on account of, e.g., it listing the risk of our failure to encourage healthy lifestyles next to serious financial risks. Instead a format is proposed where the Sector Risks are still covered and the key risks for the Trust are added.

The themes that come out of the SRP are:

Health & Safety; Economic; Risks to Income; Debt;  
Supported Housing; Development and Deregulation

The report shows how we cover these areas – and some feature highly especially through items such as new debt, welfare reform and rent market exposures. There are others not so high such as Supported housing and deregulation but they are also included.

GvEB highlighted the Trust specific risks:

Wellbeing Strategy

'Right Tenant, Right Home' which relates to tenancy sustainability

Governance

Failure of development contractors

Board were informed that on review earlier today, SLT had added:

- Data integrity (incl compliance with returns, data protection etc.);
- Change Management / culture and staff

Both of which will feature in the report to March Board.

The report also flags up the Trust's and the Board's current documented risk appetite using the following principles:

1. Putting financial strength first
2. Risk taking generally being encouraged – as long as the downside cost can be provided for.
3. Identification of hard lines for financial and reputational risks the Golden Rules being crucial in the financial risk limits.

In connection to risk appetite, GvEB presented an analysis of recent viability regrades to the Governance committee on 9<sup>th</sup> January which they requested to be highlighted to the full Board.

Governance Committee reviewed some examples of HAs that had their Viability rating changed from V1 (like us) to V2.

V2 is acceptable and possibly seen by the RoSH (Regulator or Social Housing) as the new normal for a housing association that is stretching itself to build more homes.

The examples of V2 regrades (or downgrades) invariably referred to

1. A ratcheting-up of development activity
2. A relatively high proportion of market sales and market rents in the mix

GvEB informed that with this Analysis we have started to build an understanding of how we would recommend keeping our market facing development in proportion to affordable rent – but stated that the possibility of a regrade is still there for the Trust.

Board's views about the prospect of a regrade for the Trust were invited.

GR raised the point of seeing deregulation as reregulation with new regulations becoming relevant to the Trust. GvEB responded by confirming that SLT are proactive and receive a regular legal update and ask the management team to assess Trust risk against them.

KL referred to data saying that if a significant data breach occurred then this could cause problems for the reputational risk of the Trust.

JH commented that when talking about development, placemaking and regeneration needs to be specifically included as they require a different set of skills.

**The Board decided:**

**647)** To approve the strategic risk register/map with the additions discussed.

**8. Draft 5 year plan**

TP explained that the intention was to bring a draft of the new 5 year plan sufficiently early enough for Board to have input before bringing back in March for approval.

TP further explained that the outputs from the Board away day were included. Whilst it is an accurate representation of the discussions on the day, the wording has undergone some refining for it to work effectively as a tool for the Board and critically as a means of motivating and engaging staff. Objectives for each outcome are also included to allow for monitoring of how well we are delivering VFM and as an indicator for regulator. A robust set of performance indicators will be required for monitoring.

TP asked Board if the draft provides the right level of detail and do the outcomes resonate with the away day discussions.

MC commented that he was not clear on what is an outcome/output/objective and asked if the plan could be a bit clearer on what the impact could be.

JH commented that the final document will need clarity on what are big objectives and priorities and what the impact of these will be.

KL agreed that the content reflects the away day but added that wording around 'what does success look like' may sell it to staff by bringing it alive and making it more meaningful.

JH commented that the importance of organisational and cultural change appeared to be missing and as we are on journey to being a high performing great organisation should this be a 4th objective?.

TP replied that the idea was for this to be much more embedded and ingrained as part of the delivery of the overall plan and therefore he did not see this as a separate objective.

TA commented that the plan needs quantitative information but could be made more attractive to readers.

GvEB explained that the Values need to be added back in, which will help with staff understanding and communicating how we do things.

GR commented enquired whether the objective of 750 new homes was ambitious enough and wondered whether we could add a stretch target. If a stretch target can be applied to housing numbers then it can apply to everything as a way of stretching people.

TP confirmed that SLT had discussed stretched targets earlier in the day.

PF commented that he would be keen to keep the plan simple as long as it can meet the performance indicator targets.

**The Board decided:**

**648)** To endorse the outcomes, objectives and projects as the basis for a final version of the plan to be completed with detailed K.P.I in March 2018

**9. Finance Report**

Board received the comprehensive finance report to 30th November 2017.

The report shows a positive position with a 37% operating margin and as at the end of November a £142,000 favourable variance to forecast.

All Covenants and the Golden Rules are met.

Cash flow forecast shows no issues with cash flows in the future.

As an update, GvEB informed Board that the December report was reviewed by SLT earlier in the day and shows a £170k favourable bottom line with the operating margin reduced to 34% - which is in line with forecast.

**The Board decided:**

**649)** to approve the finance report to 30 Nov 2017

**10. Performance Report to December 2017**

Board received the performance report to December 2017 which contained 8 green 3 red and 1 amber indicator.

GvEB summarised the report:

Rent collection is red for first time in year but is expected to reach target at end of year. JaH explained that the rent free weeks in December were not taken into account so the dip is as a result of the way in which we forecast.

% Rent debit lost through voids - this was flagged up last time as not expected to reach target at year end. New tenancies are still working with development to deliver several sites between February and March 2018. JaH explained that although we are pressing as hard as we can this is a cumulative position. Void costs are often higher with customers who have refused improvements works previously. The team are very proactive at pulling resources from other areas when big voids appeared.

New home starts was on target and expected to exceed year-end target at the time of this report – but since – we have learned that one scheme will be at March planning committee delaying 67 starts by one month.

Home completions are on target currently but now forecast to be 134 vs 148 year end target, 14 behind.

JH commented that where we are in the hands of 3rd parties we need to bear this in mind when target setting and this could be where stretch targets are helpful.

Unsold shared ownership for over 6 months - the target is 0, there are currently 2 - both expected to be sold by February.

80% of transactions are completed electronically by year end - is increasing but slightly behind target - forecast to hit target by end of year. JaH informed the board that new tenancies are looking to complete digital sign ups by year end.

**The Board decided:**

**650)** To note the Performance Report to December 2017.

**11. Rent Variation and Key Business Plan Assumptions**

Board received a report including the proposed business plan assumptions for 2018/19 onwards.

GvEB explained that at this time of year it is helpful to give Board an idea of the assumptions we are planning to set the business plan (long term financial plan) on to check we are on the right lines and so when we come back to Board in March with a full plan, the Board can focus on the outputs of the business plan that are based on these assumptions.

The report appendix shows a summary of the main assumptions the report sets out and the basis on which they are recommended.

GvEB informed Board that he might recommend higher cost increase than 2% inflation to demonstrate our prudence and viability.

JH asked Board if they were comfortable in context of being much more cautionary and they agreed.

**The Board Decided:**

- 651)** To approve the broad assumptions for the 2018/19 budgets and agree development assumptions for future years' business plan.

## **12. Disruptive HR and Policy review**

Board were informed that at its meeting on 9<sup>th</sup> January, Governance committee received a presentation on Disruptive HR and accepted a recommendation in support of the Trust being a High Performing organisation to revolutionise the way we work, by assuming positive intent by staff, allowing staff to use good sound judgment and treat employees like adults. In support of this it is proposed that we will only have policies for the really important things and we will write these from a position of trust.

TP explained the Disruptive HR concept that people need to be treated and treat each other as adults and how this fits in with the cultural change discussed earlier.

TP further explained that as a result of the regulatory requirements at the time of transfer the Trust has a whole raft of policies which are no longer deemed necessary.

Board received a list of policies recommended for removal. The policies are delegated to SLT however Board approval is required to change the Standing Orders accordingly.

Assurance was given that the Code of Conduct and Equality & Diversity policies would remain the responsibility of the Board and would be brought back for approval.

Board members generally felt this was a good idea however there were a few reservations.

TP confirmed that SLT are going into this with eyes wide open and acknowledge that there will be some risks and that some managers will not be up for having kind of conversations required.

SL referred to Governance committee where this was discussed at length and confirmed that committee was reasonably satisfied with the response from HR that important parts of policies were being simplified. Committee felt it is risk worth taking.

AL confirmed that links to ACAS guidance is bookmarked in statements wherever necessary.

### **The Board Decided:**

- 652)** The standing orders document ST10 relating to policies is changed to reflect the report on the proviso that the 2 policies that require Board approval are brought back to a future meeting for sign off.

## **13. Board and Chair Appraisal review**

Board received a report which pulled together a number of things to enable Board to make their own assessment of how the Chair and Board has performed.

GvEB explained that the NHF Code of Governance requires that individual Board members, the board as a whole, the Committees and the Chair to be assessed.

The way this is managed is for the Chair to appraise individuals using an element of self



and 1-1 meetings followed by an independent review.

David Tolson Partnership (DTP) reviewed our own processes, observed the Board meeting, facilitated the Chair appraisal and have concluded that we do indeed meet the requirements of the Code.

DTP provided a positive assessment with 2 recommendations that have been accepted by the Governance committee and included on their action plan. The recommendations relate to the way we deal with matters arising and confidential items – both of which we accepted needed a clear agreed process.

The process also highlighted focus for Board development around, Regulation, Risk Management, Regeneration and Environmental management.

Board received a summary of the Chair appraisal report from DTP. The report, which was also very positive, was reviewed in detail by the Governance committee and is available via the portal.

GvEB informed Board that he has requested DTP to carry out 2 further pieces of work:

1. Benchmark information on Chair pay rates for HA's in the next category of 5k+ homes
2. An appraisal of the effectiveness of the two sub Committees.

Board were asked to approve their completion of appraisal process and to consider whether the appraisals demonstrate compliance with the NHF Code of Governance.

JH informed Board that a recommendation from his appraisal was for him to give some feedback to Board on the appraisal process between the Chair and Chief Executive, he committed to give summarised feedback later in the year.

JH summed up by stating that DTP's reports gave a positive, independent evaluation of ourselves and reminded Board that they have signed up to 'Restless' as one of the values, therefore there are more improvements to be made. He passed on his personal thanks to Board members for their participation & support.

**The Board Decided:**

**653)** In line with the NHF 2015 Code of Governance to approve the Board appraisal as informed by the DTP report.

**14. Feedback from Governance Committee 9<sup>th</sup> January 2018**

AL informed Board that committee reviewed the Chair's remuneration and agreed a figure as a rebase and had requested benchmark figures to check this was appropriate.

Committee approved the new Shareholder Policy

The other items discussed by committee had been included in the Board agenda this evening and are available via the portal.

**The Board Decided:**

**654)** To note the feedback from Governance committee

There was no other business

The meeting closed at 8.15pm

Signed.....

Date.....