

FREEBRIDGE COMMUNITY HOUSING BOARD

Minutes of a Meeting of the Board held on Monday 3 February 2014 at 6.30pm in "The Barn", 2 Chapel Lane, King's Lynn

PRESENT:

Ray Johnson (Chairman)
Lesley Bambridge
Matthew Brown
Steve Clark
Frazer Clement
John Fox
Tony Hall (Chief Executive)
Sean Kent (Deputy Chief Executive)
Paul Leader
Ian Pinches
Colin Sampson

IN ATTENDANCE:

Robert Clarke - Director of Housing
Shendi Keshet - Director of Finance
Angus MacQueen - Company Secretary

16/14 APOLOGIES

There were no apologies for absence.

17/14 MINUTES

The minutes of the meeting held on 20 January 2014 were confirmed as a correct record and signed by the Chairman, subject to the following amendment:

- Minute number 13/14 – Board Appraisal and Review – under the sub heading “Board Payment” replace the words “obtaining shareholder approval” with “reporting to shareholders”.

18/14 MATTERS ARISING

- **Succession Planning for Chairman (Minute Number 13/14)**

The Chairman clarified that it was not intended to recruit specifically for a new Chairman. The new Chairman would ultimately be selected from within the Board, and this may or may not be someone recruited this year. The Board confirmed that this was its preferred approach.

19/14 DECLARATIONS OF INTEREST

Ian Pinches declared an interest in the issue to be raised under Any Other Business regarding the nomination of an Appointed Governor to the Governors' Council of the Queen Elizabeth Hospital Trust (minute number 37/14(c)), as he was a Board Member of the Trust. The Board was content that he should remain in the room for the item, but he did not vote.

20/14 CHAIRMAN'S UPDATE

The Chairman said that, in addition to his weekly meetings with the Chief Executive, he and the Company Secretary had met with their counterparts at the Queen Elizabeth Hospital Trust on 22 January 2014, to discuss the possibility of Freebridge making an appointment to the Trust's Governors' Council. Ian Pinches, who was on the Boards of both Freebridge and the Hospital Trust, had also attended the meeting. The Chairman would be raising the appointment under Any Other Business. He had also taken the opportunity at the meeting to discuss with the Trust possible joint working around accommodation.

The Chairman advised that he would be attending the following engagements during February 2014:

10 February	Board Time to Think training
11 February	West Norfolk Partnership leaders meeting
13 February	Board fraud prevention briefing
14 February	Housing association Chairs' meeting organised by the National Housing Federation and to be attended by Julian Ashby, Chairman of the Homes and Communities Agency Regulation Committee, and by a Member of Parliament
26 February	Times Top 100 Employers awards evening in London

The Chairman also explained that he had had to give apologies for the e² Joint Members Group meeting on 11 February, owing to a hospital appointment.

21/14 CHIEF EXECUTIVE'S UPDATE

The Chief Executive said that, as it was only two weeks since the last Board meeting, he had no issues on which he needed to update the Board, other than those included on the agenda.

22/14 FINANCIAL PLAN UPDATE 2014/15

The Director of Finance presented a report which sought approval for the revised 30-year Financial Plan and its assumptions.

The Director of Finance said that the intention was that the Plan should provide a balance between prudence on assumptions and achieving

objectives and key projects. The Plan included a shift in peak debt from 2016 to 2018. It had been externally validated by two different consultants, and initial indications were that it would be accepted by the funders, although this would depend on Credit Committee approval.

The Director of Finance stated that the Regulator was keen to ensure that associations considered multiple risks. Accordingly, she would be running multiple sensitivities on the Plan. In response to a request, she undertook to present the results of this exercise to the Board.

In answer to questions, the Director of Finance and the Deputy Chief Executive made the following points:

- Sensitivities would be run on the Plan in respect of there being more Right To Buy sales than anticipated, and the results fed back to the Board.
- Not doing development would, if anything, have a positive impact on the Plan.
- The development programme was operated on a six to seven years rolling basis, and so development beyond that time could not be detailed at this stage.
- It was not anticipated that the funders would make any significant changes to covenants or increase costs.
- Credit Committee approval normally took two to three months to come through.

RESOLVED:

- 1) That the revised Financial Plan be approved.
- 2) That the next actions be noted as follows:
 - review the VAT shelter position
 - refinancing strategy
 - update development appraisal model.

23/14 PLAXTOLE HOUSE UPDATE

Confidential item

24/14 PENSION OVERVIEW – LOCAL GOVERNMENT PENSION SCHEME 2014

Confidential item

25/14 **THE LIVING WAGE**

The Deputy Chief Executive presented a report which described Freebridge's adoption of the Living Wage, in replacement of the Minimum Wage.

The Deputy Chief Executive explained that, although the report contained recommendations, these had already been approved by the Chief Executive under delegated authority, following consultation with Management Team. The report was being presented to the Board for information. Specifically, the Board was asked to note that all Freebridge posts would move to the Living Wage within six months and that no future Freebridge appointments would be made below the Living Wage.

In answer to a question, the Deputy Chief Executive said that the move from the Minimum Wage to the Living Wage would take place over six months, to allow two of the four postholders affected to complete their induction periods.

It was pointed out that the Living Wage could rise in the future to the point that additional Freebridge posts would require pay increases. This would be unlikely to have a significant financial impact on Freebridge, but the position could be reviewed if necessary.

The Board noted the report.

26/14 **GOVERNANCE IMPROVEMENT ACTION PLAN**

The Board considered a report which set out the Governance Improvement Action Plan following the recommendations arising from the Board appraisal and review process held in November 2013.

RESOLVED: That the Governance Improvement Action Plan, as attached at Appendix 1 to the report, be approved.

27/14 **APPOINTMENT OF SHAREHOLDERS**

The Board considered a report which listed applications for tenant shareholding.

RESOLVED: That the applications for tenant shareholding set out in Appendix 1 to the report be approved.

28/14 **FRAUD ACTION PLAN UPDATE**

The Board received a report which provided a progress update on the Fraud Action Plan. The Chairman thanked the staff team for their hard work in addressing the situation of fraud that had occurred. He highlighted that fraud prevention briefings for staff and the Board would be held on 13 February 2014.

The Deputy Chief Executive advised that a progress update would shortly be sent to the Regulator. Meanwhile, the staff disciplinary process had concluded.

The Board noted the report.

29/14 OPERATIONS PERFORMANCE OVERVIEW

The Director of Housing presented the Operations Performance Overview report for the quarter ending 31 December 2013. He advised that the report had been considered by the Tenant Panel on 31 January 2014. The Panel had confirmed that it liked the layout of the report, and had been pleased to note that the large majority of complaints were resolved at an early stage.

It was highlighted that the average re-let time had risen from 10 to 15 days during December 2013. The Director of Housing explained that this appeared to be largely the result of two long-term empty properties being let, which had affected the figures. The aim was to return to the target of 10 days by the end of the current financial year. In order to further improve relet times, the Director of Housing was looking at the practicalities of allowing tenancies to start on any day of the week, rather than just on Mondays as at present. The advertising of properties in the Juniper House window had also been started. Meanwhile, discussions were being held with West Norfolk Homechoice, as no nominations had been received in the past week, despite seven Freebridge properties being placed with them. The number of refusals had risen; this appeared to be largely the result of difficult-to-let flats at North Lynn, and was being investigated.

It was pointed out that sickness absence performance had improved, but the costs of sickness absence had risen. The Deputy Chief Executive responded that this was the result of two middle managers being on long-term sick leave.

The Board was pleased to note that the number of properties without a gas servicing certificate remained at zero and acknowledged the hard work that was required to achieve this figure.

The Board highlighted the significant amount of compliments listed in the report.

The Chief Executive advised that one particularly complicated complaint was now being considered by the Ombudsman following referral by the complainant.

The Board noted the report.

30/14 FINANCE AND HUMAN RESOURCES QUARTERLY MANAGEMENT REPORT

The Director of Finance presented a report which provided financial information for the quarter ending 31 December 2013, together with Human Resources key performance indicator information.

The Board noted the report.

31/14 TREASURY MANAGEMENT UPDATE

The Director of Finance presented a report which provided an update on treasury activity for the period 1 April to 31 December 2013.

The Board noted the report.

32/14 RISK MANAGEMENT UPDATE

The Deputy Chief Executive presented a report which detailed risk management activity during the quarter ending 31 December 2013 and provided an update to the Risk Map.

A member requested that, where the update table stated “no further action at present”, it would be useful to have an indication of the timescale when further action might be required.

The Board noted the report.

33/14 BUSINESS PLAN 2013/14 – THIRD QUARTER UPDATE

The Chief Executive presented a report which set out the third quarter update to the 2013/14 Business Plan.

The Board noted the report.

34/14 SWARM APPRENTICESHIPS UPDATE

The Director of Housing presented a report which provided an update on the progress of the SWARM Apprenticeship programme.

The Director of Housing advised that the possibility of employing a SWARM apprentice at Providence Street was being investigated.

The Board was pleased at the progress of the programme to date.

The Board noted the report.

35/14 URGENT ACTION TAKEN – EMPLOYMENT OF A CLOSE RELATIVE OF AN EXISTING EMPLOYEE

The Board noted a request for urgent action that had been approved, to enable the Association to employ the close relative of an existing employee.

36/14 WORK UPDATE

The Company Secretary presented the work update, which included the following:

- Action Sheet
- Future Work Programme of the Board.

The Board noted the update.

37/14 ANY OTHER BUSINESS

(a) Issues Arising from the Audit Committee

Ian Pinches, Chairman of the Audit Committee, advised that the Committee wished to bring two issues arising from its meeting on 28 January 2014 to the Board's attention.

Firstly, the Committee had received an Internal Audit report on the Hillington Square project. In view of the importance of the project to the organisation, the Committee had asked that the Board be made aware of the report. Overall it was a positive report, with some learning points.

Secondly, the Committee had received an Internal Audit report on the POP/PIP system, the automated system used by Freebridge to raise purchase orders and match the associated invoice upon receipt of goods and services. This report had been critical in a number of areas around the implementation and use of the system. The Director of Finance was taking forward an improvement plan, and it was important that this was progressed. The report had revealed a corporate training need in the use of the system and, as a result, "Resources and Training" had been downgraded to "Adequate" across the organisation in the Internal Audit Service Assurance process for Quarter 3.

The Board was disappointed to note the outcome of the POP/PIP report and the subsequent downgrade to "Resources and Training", but acknowledged that "Resources and Training" had not slipped below "Adequate".

The Deputy Chief Executive reported that, other than the "Resources and Training" downgrade, the Service Assurance process for Quarter 3 had revealed a number of areas of upward trend, and expressed his thanks to the staff involved.

(b) Frazer Clement

The Chairman reported that he had received a letter of resignation from the Board from Frazer Clement, to take effect at the end of this meeting. The resignation was the result of insufficient time available to commit to Board duties.

The Board expressed its disappointment at Frazer's departure and thanked him for his significant contributions during his 17 months on the Board.

Frazer wished Freebridge all the best for the future.

The Chairman said that, as a result of Frazer's resignation, there was a vacancy on the Audit Committee. He had asked Colin Sampson to consider taking on the role; the appointment would need to be made at the next Board meeting.

(c) Nomination of an Appointed Governor to the Governors' Council of the Queen Elizabeth Hospital, King's Lynn

The Chairman said that, as previously mentioned to the Board, Freebridge had been invited by the Queen Elizabeth Hospital Trust to nominate a Governor to the Trust's Governors' Council. Following a meeting with the Trust, the role of a Governor had become clearer; it included appointing the Chair and other Non-Executive Directors and setting their salaries, approving "significant transactions", and holding the Board to account. The Trust would prefer a senior representative from Freebridge, ideally either the Chairman or the Chief Executive. The term of office was three years, although Freebridge could change their nomination at any time.

In answer to questions, Ian Pinches, who sat on the Hospital Board, explained that the Trust was obliged to invite partner agencies to nominate Governors. Freebridge had been chosen because the Trust saw opportunities for partnership working and sharing of knowledge, and because it was anticipated that Freebridge would provide a high quality and committed Governor. Although appointed by a corporate body, once on the Council, the Governor would act as an individual.

The Chairman stated that Steve Clark had recently been elected to the Governors' Council in his own right, and offered him his congratulations.

RESOLVED: That Ray Johnson be nominated as Freebridge's Appointed Governor to the Governors' Council of the Queen Elizabeth Hospital Trust, King's Lynn.

(d) Impact of Welfare Reform

Colin Sampson reported that he had spoken at a recent Borough Council meeting on Freebridge's work to help tenants affected by reforms to the welfare system.

The Chief Executive said that Freebridge would need to be mindful of the changes to Council Tax relief, taking effect from 1 April 2014, which would result in some tenants having to pay an extra £5.00 a week.

(e) Employment of a Close Friend of an Existing Member of Staff

Confidential

(f) Company Secretary Qualification

The Board congratulated the Company Secretary, who had now completed his examinations to qualify as a Company Secretary. It was highlighted that

Freebridge's funding of the qualification demonstrated the organisation's commitment to good governance.

38/14 **NEXT MEETING**

The Board noted that its next meeting was scheduled for Monday 10 March 2014 at 6.30pm.

The meeting closed at 8.05pm.

CHAIRMAN