

FREEBRIDGE COMMUNITY HOUSING BOARD

Minutes of a Meeting of the Board held on Monday 15 May 2017 at 4.50pm in “The Barn”, 2 Chapel Lane, King’s Lynn

PRESENT:

Ray Johnson (Chairman)
Tony Hall (Chief Executive)
Brian Long
Ian Pinches
Pauleen Pratt
Jasmine Rigg
Colin Sampson
Simon Smith
Andy Walder

IN ATTENDANCE:

Colin Davison	-	Director of Property
Dave Marshall	-	Director of Finance and Resources
Sophie Bates	-	Head of Housing Services (Minute Numbers 97/17 – 104/17)
Clare Flynn	-	Finance Business Partner
Angus MacQueen	-	Company Secretary

97/17 APOLOGIES

Apologies for absence were received from Steve Clark and Marie Connell.

98/17 MINUTES

The minutes of the meeting held on 3 April 2017 were confirmed as a correct record and signed by the Chairman, subject to the following amendment:

Minute number 84/17, “Board Member Recruitment 2017 Part 1”, change the second recommendation to read (*additional wording in italics*):

“That a Policy be prepared for Board approval on the *process for* the reappointment of existing Board Members”.

99/17 MATTERS ARISING

Confidential item

100/17 DECLARATIONS OF INTEREST

There were no declarations of interest.

101/17 CHAIRMAN'S UPDATE

The Chairman said that, since the last Board meeting, he had attended his usual regular meetings with the Chief Executive (other than during a period of holiday). In addition, he and Andy Walder, the Chairman-elect, had attended a National Housing Federation regional meeting, which had provided useful networking opportunities.

The Chairman also advised that Andy Walder had submitted a number of questions around the papers for this Board meeting. The answers had been circulated to all Board Members, but Board Members were still welcome to raise any of the issues covered.

102/17 MANAGEMENT TEAM UPDATE

A written update from the Management Team had been previously circulated and was noted by the Board.

The written update covered the following issues:

- Keeble Court
- Stonewater Acquisition (Heacham)
- Operating Model Review
- Supporting People Funding
- Marie Connell Declaration of Interest
- Safeguarding

[Confidential wording]

In response to a question, the Chief Executive said that Freebridge was going to have to take decisions around its service, as a result of Norfolk County Council's decision to withdraw Supporting People funding. Proposals would be developed in consultation with tenants. A report would be presented to the Board later in the year; this was pending further detail becoming available from the County Council.

[Confidential wording]

103/17 confidential item

104/17 DEBT COLLECTION AGENCIES

The Head of Housing Services presented a report which reviewed Freebridge's use of external debt collection provision. She stressed that Freebridge's performance in relation to debt collection was better than the sector average.

In answer to questions, the Head of Housing Services said that it would not be cost-effective to have an in-house debt collection resource. The recent review of debt collection had shown that Freebridge's current external debt collection

agency was the best option, and so this would be retained. Freebridge was a high performer both in terms of debt collection and its level of write-offs.

The Board welcomed the report. It was felt important that Freebridge continued to take action to chase debts, so as to demonstrate that non-payment would not be tolerated. It was acknowledged that the amount of debt written off was a very small percentage of Freebridge's turnover.

The Board noted the report.

105/17 FINANCIAL PLAN 2017-18

Confidential item

106/17 MEASURES AND PERFORMANCE INDICATORS

The Director of Finance and Resources presented a report which provided an update on the development of reporting measures and performance indicators for the 2017-20 Business Plan period, and which sought to obtain approval for the structure and definition of the strategic measures.

The Director of Finance and Resources highlighted that the strategic measures would be presented to the Board on a quarterly basis; the supporting measures would also be made available to the Board electronically. The operational measures were not intended for the Board, but would be used by management.

In answer to questions from Board Members, the following points were made:

- When the strategic measures were presented to the Board, they would be accompanied by a covering report. This would include actions being taken to achieve targets.
- "Headcount" was being used as part of the employee satisfaction measure, so as to be in line with Housemark benchmarking. Some other measures were also derived from Housemark benchmarking, and this would be highlighted where it was the case.
- Some of the measures would change as the business environment developed and sector benchmarking and Homes and Community Agency metrics were finalised.
- The targets had been designed to take the current Business Plan forward. They could be stretched if the Board wished to do so in the future. It would be important to ensure that enough was being done in Year 1 to achieve the Year 3 targets.

The Board welcomed the report and the structure of the new measures, and thanked the Director of Finance and Resources and the Finance Business Partner for their hard work in producing these. It was acknowledged that refinements could be made should this prove necessary.

RESOLVED: That the structure and definition of the strategic measures be approved, as presented.

107/17 PROCUREMENT APPROVALS

Confidential item

108/17 BUSINESS PLAN 2016/17 OUTTURN REPORT

The Chief Executive presented the 2016/17 Business Plan Outturn Report.

RESOLVED: That the 2016/17 Business Plan Outturn Report be approved.

**109/17 DEREGULATION: SHAREHOLDING AND BOARD
MEMBERSHIP**

The Company Secretary presented a report which sought some initial views from the Board in light of the expected deregulation legislation which could affect the Borough Council's shareholding and its ability to nominate Board Members.

The Board discussed options for the structure of Freebridge's shareholding should the Borough Council lose its 33% share, as was expected once the new legislation had been passed. The Board was of the view that a 50/50 split of shareholding between tenants and independents would be the most manageable option and present the least risk. This structure was understood to be commonly used among other housing associations. Tenant shareholding would continue to be open to all tenants, while the independent shareholding would be held by the Independent Board Members. It would be important to ensure that a procedure was included in the Rules to deal with situations where voting on a particular issue was split equally, for instance a casting vote for the Chairman. The Company Secretary would proceed on this basis, once the legislation was confirmed and in place. [In accordance with the Rules, Pauleen Pratt and Simon Smith did not take part in the discussion on shareholding, as they were Co-opted Board Members.]

The Board discussed the future structure of the Board. It was felt that a smaller Board, of 7 – 10 members, would be preferable. Some flexibility around the precise number would be useful, to enable specific skills to be recruited; one way of achieving this would be through co-options. A unitary Board, based purely on skills rather than reserving seats for tenants and the Borough Council, would also be most appropriate for moving the organisation forward. Tenants and councillors would not be precluded from such a Board, but would need to demonstrate the appropriate skills alongside other applicants. The importance of the Board working as a team to support and improve the organisation was stressed.

The Company Secretary thanked the Board for its input on this item. Assuming that the new legislation would not be published before the June Board meeting, it would not be possible to take forward these proposals at

present. However, he would bring to that meeting suggestions for Board recruitment in advance of the 2017 Annual General Meeting.

110/17 STATISTICAL DATA RETURN 2016/17

The Director of Finance and Resources presented a report which introduced the Statistical Data Return 2016/17.

RESOLVED: That the submission of Freebridge's Statistical Data Return 2016/17, as presented, be authorised.

111/17 ANNUAL FRAUD RETURN

The Company Secretary presented a report which set out the Annual Fraud Return 2017.

A Board Member suggested a slight amendment to the Return, so that it would read that Freebridge had "suffered no *known* losses through fraudulent activity". The Company Secretary undertook to check whether it would be appropriate to add the word "known".

RESOLVED: That the submission of Freebridge's Annual Fraud Return 2017, as presented, be authorised, subject to it being checked whether it would be appropriate to add the word "known" as described above.

112/17 REGULATORY COMPLIANCE

The Company Secretary presented a report which sought approval for a statement of compliance with the Governance and Financial Viability Standard to be included in the annual accounts for the year ending 31 March 2017.

The Board observed that, in addition to the assurance provided in the report, additional assurance with regard to compliance could be gained from the Service Assurance process, as reported to the Audit Committee on 24 April 2017.

RESOLVED: That a declaration of compliance with the Governance and Financial Viability Standard be made in the annual accounts for the year ending 31 March 2017.

113/17 OPERATIONS PERFORMANCE OVERVIEW

The Director of Property presented the Operations Performance Overview report for the quarter ending 31 May 2017. He commented that this was the last time that the Board would receive this report, in light of the new performance reporting agreed by the Board earlier in the meeting (minute number 106/17 refers).

A Board Member highlighted that the performance on "Service Charges and Other Arrears" and "Adjusted Rent Loss Empty Property + Bad Debts" had been below target for some time. The Director of Property confirmed that,

under the new performance reporting, performance in these areas would continue to be monitored closely.

A Board Member observed that a number of complaints were taking several months to resolve. The Director of Property responded that, in most cases, contact from the complainant was awaited; this could have been made clearer in the report. The Chief Executive stressed that he monitored the progress of complaints closely.

In answer to a question, the Director of Finance and Resources explained that the emojis in the Quarterly Trend Report reflected Housemark quartiles. As a result, performance that was improving was sometimes accompanied by an unhappy face. This would be clearer under the new performance reporting.

It was noted that relet times had increased slightly, but this was to ensure that properties were in a lettable condition before new tenants moved in. The Board was pleased to observe that a significant amount of compliments had been received, and asked that the Director of Property pass on the Board's thanks to his team.

The Board noted the report.

114/17 FINANCE AND HUMAN RESOURCES QUARTERLY MANAGEMENT REPORT

Confidential item

115/17 RISK MANAGEMENT AND FRAUD AWARENESS UPDATE

The Director of Finance and Resources presented a report which detailed risk management, fraud awareness and service assurance activities during the quarter ending 31 March 2017.

The Board noted the report.

116/17 TREASURY MANAGEMENT AND STRATEGY UPDATE

Confidential item

117/17 GENERAL DATA PROTECTION REGULATION

The Director of Finance and Resources presented a report which outlined proposed actions to ensure compliance with the General Data Protection Regulation (GDPR), due to come into force on 25 May 2018.

In answer to questions from Board Members, the Director of Finance and Resources made the following points:

- The GDPR would require Freebridge to gain explicit consent from all of its tenants to process their data. For new tenants, this would be achieved through the tenancy agreement, but it would also be

necessary to pursue this with existing tenants. This could be a big and difficult piece of work.

- It had been decided to procure a level of external consultancy which would provide a balance of support and ownership. This would be reviewed if necessary.
- Freebridge could be fined a maximum of £1.2 million if it failed to adhere to the GDPR.

The Board noted the report.

118/17 APPOINTMENT OF SHAREHOLDERS

The Board noted a report which advised of shareholder applications that had been approved under the Company Secretary's delegated authority.

119/17 URGENT ACTION TAKEN – PROVISION OF A TENANCY TO A CLOSE RELATIVE OF AN EXISTING EMPLOYEE

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

120/17 COMMITTEE MINUTES

Ian Pinches, Chairman of the Audit Committee, presented the minutes of the Committee's meeting held on 24 April 2017. He highlighted that Freebridge had received a good rating of "2" in the Internal Audit Annual Report and that the Internal Audit Plan had been agreed for 2017/18.

A Board Member requested that the Audit Committee minutes record where the Committee had identified no areas of concern.

121/17 WORK UPDATE

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

- Action Sheet
- Future Work Programme of the Board.

In answer to a question, the Chief Executive said that the Management Team was working to complete the outstanding actions on the action sheet. The Management Team would be careful in the future to set execution dates that were not too ambitious.

The Board noted the update.

122/17 ANY OTHER BUSINESS

There was no other business.

123/17 NEXT MEETING

The Board noted that its next meeting was scheduled for Monday 12 June 2017. The Board was of the view that the earlier start time of this meeting had worked well; it had benefited the staff's wellbeing and had enabled decisions to be made when people were less tired. It was, therefore, agreed that Board meetings going forward would start at the earlier time of 4.45pm (4.30pm for the pre-meeting).

The Chief Executive said that, at the next meeting, the Board would receive a briefing on legal structures that would enable commercial development.

The meeting closed at 7.15pm (the Board having resolved to continue to sit after two hours).

CHAIRMAN