

FREEBRIDGE COMMUNITY HOUSING BOARD

**Minutes of a Meeting of the Board held on
Monday 4 February 2013 at 6.20pm in the
Conference Room, Juniper House,
Austin Street, King's Lynn**

PRESENT:

Ray Johnson (Chairman)
Lesley Bambridge
Matthew Brown
Steve Clark
John Fox
Bill Guyan
Paul Leader
Ian Pinches
Colin Sampson

IN ATTENDANCE:

Tony Hall	-	Chief Executive
Sean Kent	-	Deputy Chief Executive
Colin Davison	-	Director of Property
Malcolm Fry	-	Assistant Director of Finance
Angus MacQueen	-	Company Secretary

07/13 APOLOGIES

Apologies for absence were received from Frazer Clement and Simon Gathercole.

08/13 MINUTES

The minutes of the ordinary meeting held on 10 December 2012 and of the special meeting held on 21 January 2013 were confirmed as correct records and signed by the Chairman.

09/13 MATTERS ARISING

• **Regulatory Judgement (Minute Number 06/13(a))**

The Board noted that Freebridge's Regulatory Judgement had now been published on the Homes and Communities Agency's website. All Board Members had been emailed a link to view the Judgement. The Board once again expressed its appreciation that Freebridge had been awarded the highest possible ratings in the Judgement.

10/13 DECLARATIONS OF INTEREST

There were no declarations of interest.

11/13 CHAIRMAN'S UPDATE

The Chairman said that he had nothing to report on this occasion, other than that he had continued to attend weekly meetings with the Chief Executive.

The Board noted the update.

12/13 CHIEF EXECUTIVE'S UPDATE

(a) Hillington Square

The Chief Executive said that the identity of the preferred constructor had been made known to the tenderers, following the decision taken at the special Board meeting on 21 January 2013 (minute number 04/13 refers). This had initiated a "standstill period", which was the opportunity for the unsuccessful tenderers to object to the process. The standstill period was about to end that night, and a press release regarding the preferred constructor would be available the following day. There would then need to be time allowed for a "Section 20 Notice" to be served on the leaseholder who had recently purchased their property under the Right To Buy. This would allow the leaseholder the opportunity to comment on their preferred constructor given that they would pay a service charge that was a proportion of the cost of the improvement works.

In answer to a question, the Chief Executive stated that it was now hoped to complete phase 1 of the project by the end of March 2014, as set out in the proposed new Business Plan. It was expected that work would start on site in summer 2013; it was suggested that a ceremony, involving local dignitaries and those who had been particularly supportive of the project, should be held to mark work starting on site.

(b) Providence Street

Confidential

(c) Delegation Regarding Empty Homes Leases

The Chief Executive reminded the Board that it had previously granted delegated authority to the Investment Appraisal Panel to approve development projects, subject to certain conditions being met (minute number 183/12 refers). The purchase of properties under the empty homes initiative clearly fell within this delegation; the officers were of the view that the leasing of properties under the empty homes initiative also fell within this delegation, but wished to clarify that this was the Board's understanding.

RESOLVED: That it be confirmed that the leasing of properties by Freebridge under the empty homes initiative be considered a development project for the purposes of the Investment Appraisal Panel terms of reference.

The Assistant Director of Finance presented a report which sought approval for the Association's annual rent increase.

The Board acknowledged the significant financial difficulties that a large number of people were currently facing, and that these were likely to be exacerbated in many cases by the forthcoming welfare reforms. However, there was a need to raise rents in order to maintain Freebridge's viability. Freebridge's rents remained among the lowest in the local area, and Freebridge's officers were making every effort to help and support tenants. There may be cases of genuine hardship where some rent write-off was necessary. An example of this could be properties which had had specific adaptations to meet a tenant's particular needs. Proposed welfare changes may be about to put the tenant under financial pressure to downsize; however, if the tenant would still require adaptations to be made to a smaller property and these adaptations would cost Freebridge more than it would cost to write off the bedroom tax, then the Executive should consider this as an option.

The Chairman requested that the Board be given updates on welfare reform, so that the impact on Freebridge and its tenants could be monitored. This would be covered in the Chief Executive's Update item.

In answer to questions, officers made the following points:

- The Financial Plan contained a contingency to cover bad debts. The Plan was less sensitive to the level of arrears than the level of write-offs.
- Further rent convergence had not been built into the Plan, in case the Government changed the rules.
- Some group purchase schemes for fuel had been trialled locally by others, and the options for Freebridge were being monitored.

RESOLVED:

- 1) That the proposed annual rent increase of 3.1%, in accordance with the Government's rent restructuring policy, be approved.
- 2) That converging rent to target plus 5% (for general needs)/10% (for sheltered) be continued for the 2013/14 rent increase.
- 3) That authority to agree rents for the Freebridge properties at Thornage be delegated to the Chief Executive.

14/13 FINANCIAL PLAN UPDATE

The Assistant Director of Finance presented a report which advised of changes made to the assumptions contained within the annual Financial Plan update and which sought approval of the updated Financial Plan. He explained that this update was much the same as that presented to the Board on 8 October 2012 (minute number 177/12 refers), but with some changes to reflect new information. The update had been consulted upon with Beha Williams Norman, Freebridge's treasury management advisers, and with the funders.

Whilst supporting this update to the Plan, the Board acknowledged that, as Freebridge became involved with an increasing number of projects, most notably Hillington Square, so its room for manoeuvre decreased and the risks increased. The situation would have to be monitored carefully and some tough decisions might have to be made in the future.

[Confidential section]

RESOLVED: That the revised Financial Plan be approved, as presented.

15/13 DRAFT BUSINESS PLAN

The Chief Executive presented a report which sought approval of the 2013-2014 detailed Business Plan and of the three-year forward Plan. The report also requested the Board to select as most important one of the key activities proposed by Management Team under each of the four Business Plan objectives.

Discussion took place under each of the four Business Plan objectives, as set out below:

- **Increasing Satisfaction**

In answer to questions, officers explained that the proposed activities included a range of measures to increase employee and tenant satisfaction and employee retention, and to identify employment packages that would provide the best value for money.

In terms of selecting an activity as the most important, the Board was of the view that it would be difficult to choose a staff satisfaction item over the tenant satisfaction items, and vice versa; one from each would, therefore, be more appropriate. Under staff satisfaction, the Board chose "agree and implement a talent management programme", in view of the importance to Freebridge of retaining good staff. Under tenant satisfaction, the Board selected "implement Financial Inclusion Strategy", because of the significant financial problems that many people were currently facing and which were likely to worsen under the imminent welfare reforms.

- **Community Focus**

In answer to questions, officers made the following points:

- [Confidential section]
- The Jog-On project was a good example of innovative, partnership working making a positive impact on people's lives, as it had helped a number of unemployed people to return to work.
- Freebridge's financial input into the Discovery Centre was minimal; support was usually given through staff time. The Discovery Centre had made a considerable impact on the quality of life in North Lynn and beyond, through offering a range of activities for young people, resulting in a reduction in anti-social behaviour.

The Board was of the view that, whilst the action to "manage Plaxtole House to breakeven position" was appropriate, the wording should also reflect that the aim of the work at Plaxtole House was wider than this, in that it was also about creating a sustainable community.

The Board selected "commence Hillington Square regeneration including behavioural influencing" as the most important activity under this objective. This was because of the scale and significance to Freebridge and the King's Lynn area of the Hillington Square project.

- **Appreciating Assets**

The Board chose two activities under this objective as most important. "Complete phase 1 of Hillington Square works" was selected; as under "Community Focus" above, this was because of the size and significance of the Hillington Square project. Also chosen was "develop Freebridge's approach to affordable warmth and the Green Deal", in view of the ongoing and increasing financial difficulties faced by many Freebridge tenants.

- **Increasing Capacity**

The Board selected "develop refinancing strategy" as the most important activity under this objective, because a refinancing strategy would provide options as peak debt approached.

RESOLVED:

- 1) That the 2013-2016 Business Plan and the 2013-2014 detailed Business Plan be approved, as presented, subject to additional wording to the actions at 2.3 around the aim of creating a sustainable community at Plaxtole House.

- 2) That the Board's "most important" key activities under each of the four corporate objectives be designated as follows:

Increasing Satisfaction: "agree and implement talent management programme" (1.1) and "implement Financial Inclusion Strategy" (1.9).

Community Focus: "commence Hillington Square regeneration including behavioural influencing" (2.1).

Appreciating Assets: "develop Freebridge's approach towards affordable warmth and the Green Deal" (3.1) and "complete phase 1 of Hillington Square works" (3.4).

Increasing Capacity: "develop refinancing strategy" (4.5).

16/13 REVIEW OF THE ASSET MANAGEMENT POLICY

The Director of Property presented a report which updated the Asset Management Policy.

The Director of Property pointed out that issues around land banking and repairs and maintenance had been incorporated into the Policy, and so the Land Banking Strategy and Repairs and Maintenance Policy would no longer exist as separate documents. He also highlighted that the new Policy took account of the possibility that Freebridge may wish to undertake more stock rationalisation in the future.

A member suggested that Freebridge could consider the reintroduction of annual maintenance inspections. These enabled early discovery of problems with properties and could increase the personal service offered by Freebridge to its customers. In response, officers explained that tenant surveys had revealed that tenants preferred a personal service around issues that were wider than maintenance alone, and this was the reason for introducing the Out and About campaigns, which involved the provision of assistance and advice across a range of subjects. It was acknowledged that the Out and About campaigns had so far concentrated on large groupings of houses, and had not reached many sparsely populated areas.

Another initiative that was being introduced was the allocation of patches to each surveyor and housing officer. This would enable more detailed knowledge of properties to be built up by the individuals working in the patches, and a more personal service for tenants. Furthermore, whenever a Freebridge operative visited a property, the tenant was welcome to mention any repairs that may need doing; most operatives were now multi-skilled. This option would be promoted to tenants. Freebridge operatives were trained to report back any concerns about a property, and contractors would also be asked to do this. Additionally, consideration was being given to bringing the stock condition survey in-house, which would mean that every property would receive a visit from a Freebridge surveyor at least once every five years.

The Board congratulated the Director of Property on a well considered and structured policy review.

RESOLVED: That the Asset Management Policy be approved, as presented.

17/13 GAS REPAIR AND SERVICING CONTRACT 2013-18

The Director of Property presented a report which described the results of the procurement exercise for the Gas Repair and Servicing contract for the next five years.

The Board congratulated the Director of Property and his team on the success of this procurement exercise and that for electrical repairs and maintenance described below.

RESOLVED: That the award of a five-year contract for Gas Repairs and Servicing with Gaswise Services Ltd at the cost set out in the report be approved, following expiry of the OJEU standstill period.

18/13 ELECTRICAL REPAIRS AND MAINTENANCE CONTRACT 2013-2018 – NORTHERN AND CENTRAL AREAS

The Director of Property presented a report which described the results of the procurement exercise for the Electrical Repairs and Maintenance contract (northern and central areas) for the next five years.

RESOLVED: That the award of a five-year contract for Electrical Repairs and Maintenance (northern and central areas) with Elecsure at the cost set out in the report be approved, following expiry of the OJEU standstill period.

19/13 GROUNDS MAINTENANCE CONTRACT

Confidential item

20/13 BOARD MEMBERS' ANNUAL DECLARATIONS OF INTEREST

The Board considered a report which described the Board Members' annual declarations of interest.

RESOLVED:

- 1) That the schedule of Board Member declarations of interest, as attached at Appendix 1 to the report, be noted.
- 2) That permission be given for Freebridge to continue using UK Power Networks as a supplier, provided that the Board Member with the interest has no influence on or involvement in the procurement process.

- 3) That the schedule of Board Member interests attached at Appendix 2 to the report be approved for publication on Freebridge's website.

21/13 APPOINTMENT OF SHAREHOLDERS

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

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

22/13 OPERATIONS PERFORMANCE OVERVIEW

The Chief Executive presented the Operations Performance Overview report for the quarter ending 31 December 2012. He pointed out that, following discussion at the Board meeting on 5 November 2012 (minute number 202/12 refers), the report now focused solely on high-level performance information.

The Chief Executive highlighted that, for the first time in over a year, one property had been without a current gas servicing certificate. In this case, eviction proceedings, for non-payment of rent, had been in progress against the tenant and he had refused to allow access. He had ultimately handed in the keys to the property without the eviction process being required. Another similar case was currently ongoing. Despite these isolated instances, the Board was pleased to note the continued high level of performance in terms of gas servicing.

The Chairman highlighted the significant number of compliments set out in the report.

The Board noted the report.

23/13 FINANCE AND HUMAN RESOURCES QUARTERLY MANAGEMENT REPORT

The Assistant Director of Finance presented a report which provided financial information for the nine months to 31 December 2012, together with Human Resources key performance indicator information.

The Assistant Director of Finance highlighted that the Board would be kept informed of Investment Appraisal Panel approvals via this report, and these approvals were included for the first time.

In answer to a question, officers explained that the significant underspend on non-traditional homes was the result of time taken to find a technical solution, rather than non-performance. The majority of the underspend was for work that would be outsourced.

The Board noted the report.

24/13 TREASURY MANAGEMENT UPDATE

The Assistant Director of Finance presented a report which provided an update on treasury activity for the quarter ending 31 December 2012. The Board noted the report.

25/13 RISK MANAGEMENT UPDATE

The Assistant Director of Finance presented a report which detailed risk management activity during the quarter ending 31 December 2012 and provided an update to the Corporate Risk Map.

In answer to a question, the Deputy Chief Executive said that timescales would be added to the actions in the Corporate Risk Map; the need for timescales had been highlighted through a recent Internal Audit review.

The Board noted the report.

26/13 BUSINESS PLAN 2012/13 – THIRD QUARTER UPDATE

The Chief Executive presented a report which set out the third quarter update to the 2012/13 Business Plan.

The Board noted the report.

27/13 EMPTY HOMES LEASE

The Chief Executive presented a report which set out the proposed lease for use in the empty homes initiative. He stressed that this was a model lease, and that there would most likely be some amendments to it as part of the legal process.

A member suggested that it would be useful to include in the lease a worked example of the formula for rent increase, as referred to in section 5.1 of the lease.

The Board noted the report.

28/13 URGENT ACTION TAKEN – PROVISION OF A TENANCY TO A CLOSE FRIEND OF AN EXISTING EMPLOYEE

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

The Board noted the report.

29/13 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.

30/13 ANY OTHER BUSINESS

(a) Recommendations of the Audit Committee

The Board received a report which introduced the recommendations of the inquorate (owing to health issues) meeting of the Audit Committee held on 28 January 2013. The report had been issued as an additional item subsequent to the agenda issue.

RESOLVED:

- 1) That the Anti-Fraud, Bribery and Corruption Policy be approved, as presented to the Audit Committee.
- 2) That the existing arrangement with Grant Thornton for external audit and accountancy advice be extended by two further years on the terms presented to the Audit Committee, subject to approval being granted at each year's Annual General Meeting.

(b) Provision of a Tenancy to the Close Relative of an Existing Employee

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(c) Simon Gathercole

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31/13 NEXT MEETING

The Board noted that its next meeting was scheduled for Monday 11 March 2013 at 6.30pm.

The meeting closed at 7.55pm.

CHAIRMAN