

FREEBRIDGE COMMUNITY HOUSING BOARD

Minutes of a Meeting of the Board held on Monday 5 August 2013 at 6.25pm in "The Barn", 2 Chapel Lane, King's Lynn

PRESENT:

Ray Johnson (Chairman)
Lesley Bambridge
Steve Clark
Frazer Clement
John Fox
Bill Guyan
Paul Leader
Colin Sampson

IN ATTENDANCE:

Sean Kent - Deputy Chief Executive
Shendi Keshet - Interim Assistant Director of Finance
Angus MacQueen - Company Secretary

113/13 APOLOGIES

Apologies for absence were received from Matthew Brown, Simon Gathercole and Ian Pinches.

114/13 MINUTES

The minutes of the meeting held on 24 June 2013 were confirmed as a correct record and signed by the Chairman.

115/13 MATTERS ARISING

(a) Providence Street Youth Centre (Minute Number 97/13(c))

A member commented that there was a strong rumour circulating that, once Freebridge had taken ownership of the Providence Street Youth Centre, it would demolish it and replace it with flats. The Board was keen to ensure that Freebridge's plans for the Centre were publicised as soon as the purchase had been completed.

The Deputy Chief Executive explained that there had been a delay to the purchase owing to the change of administration at Norfolk County Council. A new Portfolio Holder, who would ultimately approve the purchase, was now in office. He had reportedly expressed concern at Freebridge's commitment to the community. The Chief Executive would be meeting with him soon, when he would seek to allay his concerns and move the purchase forward.

(b) “Bedroom Tax” (Minute Number 97/13(e))

The Board acknowledged that the term “bedroom tax” was in common usage, but not the correct title for the scheme. Whilst it would not be necessary to amend the minutes on this occasion, in future different terminology would be used.

116/13 DECLARATIONS OF INTEREST

There were no declarations of interest.

117/13 CHAIRMAN’S UPDATE

The Chairman said that, in addition to his weekly meetings with the Chief Executive, he had undertaken the following activities as Chairman since the last meeting:

- He had attended the CITB Construction Skills awards dinner.
- He had sat on the Board Member Recruitment Panel.

118/13 CHIEF EXECUTIVE’S UPDATE

(a) Hillington Square Project

The Deputy Chief Executive reported that the pre-commencement agreement with Lovell Partnerships had been sealed. It was hoped that the contract for Phase 1 of the works would be entered into shortly, pending the resolution of some issues. Activity had begun on site.

(b) Nationwide Charitable Foundation

Confidential

(c) Norfolk Pension Fund

Confidential

119/13 AUDIT COMMITTEE RECOMMENDATIONS

The Board received a report which introduced the recommendations of the meeting of the Audit Committee held on 8 July 2013.

Recommendations 2 and 3, as listed in the report, were considered under item 8 of the agenda (minute number 120/13 below), and recommendations 4, 5 and 6 were considered under item 9 of the agenda (minute number 121/13 below).

With reference to recommendation 1, it was

RESOLVED: [Confidential]

120/13 **INTERNAL CONTROLS ASSURANCE ANNUAL REPORT
2012/13**

The Deputy Chief Executive presented the Internal Controls Assurance Annual Report 2012/13. The report explained the requirements of the business assurance exercise and the approach that the Association had chosen to adopt, and presented evidence from a wide variety of internal and external sources.

[Confidential]

The Board was pleased to note the positive direction of travel evidenced by the outcomes of the service assurance process undertaken in March 2013.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the Internal Controls Assurance Annual Report 2012/13, as presented, be approved.
- 2) That the statement of internal controls, as presented, be approved for inclusion in the Association's statutory financial accounts 2012/13.

121/13 **DRAFT STATUTORY ACCOUNTS 2012/13**

The Interim Assistant Director of Finance presented a report which detailed the Association's draft statutory accounts 2012/13, including the Board of Management Report, Operating and Financial Review, Auditor's Report and Financial Statements. Also presented for approval were the Key Issues Memorandum 2012/13 and the Letter of Representation to the External Auditor.

The Board took assurance from the fact that the accounts had been reviewed by the External Auditor and the Audit Committee, as well as by the professional financial officers employed by the Association.

The Interim Assistant Director of Finance highlighted that, subsequent to the Audit Committee meeting on 8 July 2013, when the statutory accounts had been considered, the External Auditor had required an adjustment reflecting capitalisation of approved improvements expenditure. This had been reported as an issue at the Audit Committee meeting, although at that time had not been resolved.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the statutory accounts 2012/13, as presented, be adopted and the Chairman of the Board, the Lead Member for Resources, the Chief

Executive, and the Deputy Chief Executive be authorised to sign these on behalf of the Board.

- 2) That the Key Issues Memorandum 2012/13, as presented, be approved for submission to the Homes and Communities Agency.
- 3) That the Letter of Representation, as presented, be approved for signature by the Chief Executive.

122/13 RULE AMENDMENTS

The Company Secretary presented a report which set out proposed amendments to the Rules for recommendation to the 2013 Annual General Meeting.

The Company Secretary advised that, since the report had been issued, the Borough Council had indicated that it would support the proposed amendments.

A member questioned the need for the repetition of the term “tenant board members” at Rule D2.4. The Company Secretary undertook to check this with the solicitors who had drafted the Rules.

RESOLVED: That the Rule amendments, as attached to the report, be presented to the 2013 Annual General Meeting for approval, subject to the repetitious drafting of Rule D2.4 being checked.

123/13 BOARD MEMBER RECRUITMENT

Confidential item

124/13 BOARD’S REPORT TO THE ANNUAL GENERAL MEETING

The Deputy Chief Executive presented a report which sought approval for the Board’s Report to the 2013 Annual General Meeting.

RESOLVED: That the Board’s Report to the 2013 Annual General Meeting be approved, as presented.

125/13 DRAFT ANNUAL GENERAL MEETING NOTICE OF MEETING AND AGENDA

The Company Secretary presented a report which sought approval for the draft notice of meeting and agenda for the 2013 Annual General Meeting.

RESOLVED: That the draft notice of meeting and agenda for the 2013 Annual General Meeting be approved, as presented.

126/13 REVIEW OF THE FINANCIAL INCLUSION POLICY

The Deputy Chief Executive presented a report which reviewed the Financial Inclusion Policy.

The Deputy Chief Executive said that the Citizens Advice Bureau no longer gave debt advice, and so reference to this had been removed from the Policy. In response to a suggestion from a member, the Deputy Chief Executive undertook to investigate whether it would be appropriate for Freebridge to use volunteers to give debt advice in the same way as had been the practice of the Citizens Advice Bureau.

RESOLVED: That the Financial Inclusion Policy be approved, as presented.

127/13 APPRENTICESHIPS SCHEME

Confidential item

128/13 LEGAL CHARGING OF PROPERTIES TO FUNDERS AND SECTION 172 CONSENT

The Interim Assistant Director of Finance presented a report which requested authorisation for the Legal Charge on 101 properties purchased or developed by Freebridge since 2008, in favour of Freebridge's funders.

In answer to questions, the Deputy Chief Executive made the following points:

- With regard to Plaxtole House, the Charge would relate to both the whole house and the land attached to it. Placing a Charge on Plaxtole House would not prevent the sale of the property in the future should this become necessary. As with any other sale made by Freebridge, it would need to go through a procedure whereby permission was sought from the Regulator and the funders were requested to release the Charge. Having a Charge on the land would not prohibit construction work on it; there would be a process to go through to gain permission.
- Sales under the Right To Buy had an automatic route through the process normally required before Freebridge could make sales.

RESOLVED:

- 1) That the properties identified in Appendix 1 to the report be charged to Prudential Trustee Co Ltd (Prudential) to the benefit of Royal Bank of Scotland (RBS).
- 2) That the terms of and the entry into the Legal Mortgage, as set out in the document on the Board Members' website alongside the agenda for this meeting, be noted and ratified, and such Legal Mortgage be executed.

- 3) That the Deputy Chief Executive be authorised to execute such Legal Mortgage on the Board's behalf.
- 4) That it be authorised that Freebridge's seal be affixed to such Legal Mortgage if it is to be executed by the Borrower under seal or for such Legal Mortgage to be executed by the Borrower as a deed.
- 5) That it be authorised to obtain Section 172 consent from the Homes and Communities Agency to enable the above to be carried out.

129/13 PROCUREMENT OF NEW CLEANING CONTRACT

The Board considered a report which sought approval to procure a new cleaning contract, and which described the proposed procurement process for the contract.

In answer to a question, the Deputy Chief Executive clarified that this contract did not include communal areas in blocks of flats; these were looked after by Estate Improvement Officers.

RESOLVED:

- 1) That the procurement of a new cleaning contract be approved.
- 2) That delegated authority be granted to the Director of Property to approve the successful contractor, subject to the requirements of Financial Regulation 7 having been followed.
- 3) That the timetable for procurement be noted.

130/13 REPLACEMENT OF BEAUPRE HALL HEATING SYSTEM

Confidential item

131/13 REVISED POLICY FRAMEWORK

The Deputy Chief Executive presented a report which proposed a revised policy framework.

RESOLVED:

- 1) That the revised policy framework and format be approved.
- 2) That each new policy be updated to the new standard format when it is due for review.

132/13 EMPLOYMENT OF A CLOSE RELATIVE OF AN EXISTING EMPLOYEE

Confidential item

133/13 **2013/14 BUSINESS PLAN – FIRST QUARTER UPDATE**

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

The Board noted the report and

RESOLVED:

- 1) That the change of Business Plan target from achieving Times Top 100 to 9% Voluntary Employee Turnover be approved.
- 2) That the change to the Business Plan target of 90% Tenant Satisfaction for 2014 be approved.

134/13 **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.

135/13 **OPERATIONS PERFORMANCE OVERVIEW**

The Deputy Chief Executive presented the Operations Performance Overview report for the quarter ending 30 June 2013.

In answer to questions, the Deputy Chief Executive made the following points:

- It was disappointing that the number of properties without gas servicing certificates as at 30 June 2013 had stood at 14. This compared with 0 or 1, which had been achieved consistently for over a year until this point. The reason behind this increase appeared to be simply that gas servicing had become due at the same time in a number of properties occupied by people who were being particularly obstructive. Every effort was being made to conclude each of these cases as quickly as possible.
- The average relet time had stood at 12 days as at 30 June 2013, as compared with the target of 10 days. This had been because some long-term empty properties had been let during the period, which had affected the figures. The figure for 31 July 2013 was down to 11 days.
- The figure for service charges and other arrears was not as good as the same time last year, but this was largely because of changes in the timing of collection.

A member commented on the pleasing number of compliments, in particular that some individuals were mentioned more than once.

The Board noted the report.

136/13 FINANCE AND HUMAN RESOURCES QUARTERLY MANAGEMENT REPORT

The Interim Assistant Director of Finance presented a report which provided financial information for the quarter ending 30 June 2013, together with Human Resources key performance indicator information.

The Board noted the report.

137/13 TREASURY MANAGEMENT UPDATE

The Interim Assistant Director of Finance presented a report which provided an update on treasury activity for the quarter ending 30 June 2013.

The Board noted the report.

138/13 RISK MANAGEMENT UPDATE

The Deputy Chief Executive presented a report which detailed risk management activity during the quarter ending 30 June 2013 and provided an update to the Corporate Risk Map.

The Deputy Chief Executive highlighted that a major review of the Corporate Risk Map had been undertaken, with the results set out in the report. Notes of recent employee risk management workshops were also enclosed with the report. The Interim Assistant Director of Finance would present to a future Board meeting notes from the fraud workshops that a number of key employees had attended with PricewaterhouseCoopers, the Internal Auditors.

The Board noted the report.

139/13 PLAXTOLE HOUSE QUARTERLY UPDATE

The Deputy Chief Executive presented the quarterly update report on the Plaxtole House project.

The Board noted the report.

140/13 URGENT ACTION TAKEN – DEED OF POSTPONEMENT

The Board noted a request for urgent action that had been approved, to enable the Association to enter into a Deed of Postponement to postpone a discount charge in relation to one of its properties.

The Board noted the report.

141/13 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.

The Board noted the report.

142/13 URGENT ACTION TAKEN – EMPLOYMENT OF CLOSE RELATIVES OF EXISTING EMPLOYEES

The Board noted a request for urgent action that had been approved, to enable the Association to employ two close relatives of existing employees.

The Board noted the report.

143/13 URGENT ACTION TAKEN – EMPLOYMENT OF A CLOSE FRIEND OF AN EXISTING EMPLOYEE

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

The Board noted the report.

144/13 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.

145/13 COMMITTEE MINUTES

Paul Leader, Chairman of the Audit Committee, presented the minutes of the Committee's meeting held on 8 July 2013.

146/13 ANY OTHER BUSINESS

(a) Safeguarding Children

In light of the recent very sad case in the national media, whereby a four-year-old boy had been subjected to cruelty and ultimately murdered by his parents, a member asked how Freebridge employees might act if they suspected such a situation. In response, the Deputy Chief Executive explained that Freebridge had a Safeguarding Policy and guidelines for staff to follow. At the appropriate point, suspicions of this nature would be referred to the relevant agencies.

(b) Under-Occupation Benefit Reduction

Members noted that an article had appeared recently in the local media highlighting the case of a disabled tenant affected by under-occupation benefit reduction (commonly known as “bedroom tax”). The article had only quoted Freebridge, even though there were a number of other social landlords operating in King’s Lynn and West Norfolk.

The Deputy Chief Executive advised that the Joseph Rowntree Trust had recently released research which indicated that over 90% of tenants who were under-occupying their homes did not have the opportunity to downsize, as a sufficient number of smaller properties was not available.

(c) Zoots Nightclub Site

The Chairman reported that, after Freebridge’s plans for the Zoots nightclub site in King’s Lynn had been refused by the Borough Council’s Planning Committee, the proposal was being revamped and would be resubmitted.

147/13 NEXT MEETING

The Board noted that its next meeting was scheduled for Monday 9 September 2013 at 6.30pm.

The meeting closed at 7.50pm.

CHAIRMAN