

FREEBRIDGE COMMUNITY HOUSING BOARD

**Minutes of an Informal Meeting of the Board held on
Monday 3 August 2015 at 6.30pm in
“The Barn”, 2 Chapel Lane, King’s Lynn**

PRESENT:

Ray Johnson (Chairman)
Matthew Brown
Marie Connell
Tony Hall (Chief Executive)
Sean Kent (Deputy Chief Executive)
Brian Long
Ian Pinches
Colin Sampson

IN ATTENDANCE:

Colin Davison - Director of Property
John Crowther - Interim Director of Finance
Angus MacQueen - Company Secretary

Note: This meeting was not quorate, as there was no Tenant Board Member was present. All of the decisions agreed at the meeting were, therefore, presented to each Board Member (including those not present) for signature to indicate approval. Each of the decisions listed in these minutes received the required number of Board Member signatures to enable them to be considered as written resolutions, as valid and effective as if they had been passed at a properly called and constituted meeting of the Board (in accordance with Rule D32). The written resolutions have been placed in the Minute Book alongside these minutes.

155/15 APOLOGIES

Apologies for absence were received from Steve Clark and Jasmine Rigg.

156/15 MINUTES

The minutes of the meeting held on 13 July 2015 were agreed as a correct record.

[This was confirmed by written resolution.]

157/15 MATTERS ARISING

There were no matters arising.

158/15 DECLARATIONS OF INTEREST

There were no declarations of interest.

159/15 CHAIRMAN'S UPDATE

The Chairman said that, in addition to his usual weekly meetings with the Chief Executive, he had attended the following events since the last meeting:

- e² Joint Members' Meeting, in Ipswich on 15 July 2015
- Construction Industry Training Board (CITB) apprenticeship awards dinner, in Bircham Newton on 16 July 2015
- Board "Iron Grip" training, on 17 July 2015
- Queen Elizabeth Hospital Governors' Council, on 23 July 2015
- Hillington Square fete, on 25 July 2015
- Festival Too final performance and reception, on 25 July 2015.

The Chairman added that Wayne Hemingway had been the guest speaker at the CITB apprenticeship awards dinner, and had made very positive comments publicly about the Hillington Square project.

The Chairman stated that he had been pleased with the Hillington Square fete, which had been well attended and had received good press coverage.

160/15 CHIEF EXECUTIVE'S UPDATE

A written update from the Chief Executive had been previously circulated and was noted by the meeting.

The written update covered the following issues:

- Government Budget Update
- Plaxtole House
- Development Updates
- Community Conference
- Review of Board Member Agreement for Services
- Board Member Declaration

With regard to the Government Budget update, the Chief Executive said that detail was being considered around the one percent rent reduction each year for the next four years. Management Team and Finance had been working hard on reshaping the Financial Plan and Business Plan, to prepare for the reduction. It was intended that the Board would have input into this process through a "Thinking Session" in September, and then a formal Board report in October. This would meet the Regulator's deadline of 30 October 2015 for the submission of the revised Financial Forecast Return. The meeting supported this as a way forward.

[Confidential wording]

161/15 AUDIT COMMITTEE RECOMMENDATIONS

The meeting received a report which introduced the recommendations of the meeting of the Audit Committee held on 6 July 2015.

Recommendations 1 and 2, as listed in the report, were considered under item 8 of the agenda (minute number 162/15 below), and recommendations 3, 4 and 5 were considered under item 9 of the agenda (minute number 163/15 below).

With reference to recommendation 6, it was

AGREED: That the Board recommend to the 2015 AGM that Grant Thornton be appointed as the Association's External Auditor (this being initially over a three year period starting in 2015/16, with an option to extend for a further two years).

[This was confirmed by written resolution.]

162/15 INTERNAL CONTROLS ASSURANCE ANNUAL REPORT 2014/15

The Deputy Chief Executive presented the Internal Controls Assurance Annual Report 2014/15. 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.

The meeting welcomed the report, in particular the transparent view that it provided of the organisation. It was highlighted that there had been a significant number of medium risk findings from Internal Audit reviews during the year, and that these should be addressed at the earliest opportunity by the Management Team. The Deputy Chief Executive said that the Audit Committee was monitoring this situation. Managers had been challenged to reduce the number of medium risk findings from future audits, and if necessary would receive further training. A behavioural audit had been included in this year's Internal Audit programme which would investigate whether there were any underlying reasons for the number of medium risk findings.

In answer to a question, Ian Pinches, Chairman of the Audit Committee, confirmed that the Committee was monitoring the issues around procurement that had been raised by the Internal Audit process. The fact that the issues had been identified demonstrated that the appropriate controls were in place.

Having noted the recommendations of the Audit Committee, the meeting

AGREED:

- 1) That the Internal Controls Assurance Annual Report 2014/15, as presented, be approved.

- 2) That the statement of internal controls, as presented, be approved for inclusion in the Association's statutory financial accounts 2014/15.
[These were confirmed by written resolution.]

163/15 DRAFT STATUTORY ACCOUNTS 2014/15

The Interim Director of Finance presented a report which detailed the Association's draft statutory accounts 2014/15, including the Board of Management Report, Operating and Financial Review, Auditor's Report and Financial Statements. Also presented for approval were the Audit Findings Report 2014/15 and the Letter of Representation to the External Auditor.

The Interim Director of Finance highlighted that, whilst the Audit Findings report had not recommended any changes to the accounts, the following key issues had been raised and were being addressed by Management Team:

- A strong recommendation to capitalise costs on a monthly basis
- The need for a full Assets and Liabilities Register.
- The need to ensure that information held on housing assets was up-to-date.
- The need to make adequate provision for doubtful debts bearing in mind the potential impact of welfare reform.
- A recommendation to make year-end supplier statements available.

The meeting observed, in particular, the following points from the accounts:

- Freebridge had scored the highest for tenant satisfaction among the e² consortium members.
- The energy efficiency ratings for non-traditional homes were pleasing.
- This was the first year that Board Member pay had been included.
- This was the first year that Freebridge had paid Corporation Tax, albeit a very small amount.

The meeting requested that the average supplier payment period be included in future years' accounts, in compliance with the new requirement to do so.

The meeting 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 meeting congratulated the Management Team on a strong set of accounts, although acknowledged that the changes to Government policy meant that there would be a different situation from next year. The meeting was able to conclude that the business of Freebridge was reasonably stated based on the definition of a 12-month forward look as a "going concern".

Having noted the recommendations of the Audit Committee, the meeting

AGREED:

- 1) That the statutory accounts 2014/15, as presented, be adopted and the Chairman of the Board, the Chief Executive, the Deputy Chief Executive, and the Company Secretary be authorised to sign these on behalf of the Board.
- 2) That the Audit Findings Report 2014/54, 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.

[These were confirmed by written resolution.]

164/15 RULE CHANGES

The Company Secretary presented a report which described the final set of Rule changes to be taken forward to the 2015 Annual General Meeting.

[Confidential wording]

The Company Secretary also highlighted that the amendments to Rules C11 and C12, around the refusal of shareholding applications, had been redrafted as requested by the Board at its meeting on 9 February 2015 (minute number 31/15 refers).

AGREED:

- 1) That the Rule changes listed in section 2 of the report be not taken forward to the 2015 AGM, and that the Rule changes listed in section 3 of the report be taken forward to the 2015 AGM.
- 2) That the revised drafting of Rules C11 and C12, as set out in section 3.2 of the report, be approved.

[These were confirmed by written resolution.]

165/15 BOARD'S REPORT TO THE ANNUAL GENERAL MEETING

The Company Secretary presented a report which sought approval for the Board's Report to the 2015 Annual General Meeting.

The meeting requested that, in future, the Board's report to the Annual General Meeting include a record of Board Member attendance.

AGREED: That the Board's Report to the 2015 Annual General Meeting be approved, as presented.

[This was confirmed by written resolution.]

166/15 **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 2015 Annual General Meeting.

RESOLVED: That the draft notice of meeting and agenda for the 2015 Annual General Meeting be approved, as presented.
[This was confirmed by written resolution.]

167/15 **2015/16 BUSINESS PLAN – FIRST QUARTER UPDATE**

The Chief Executive presented a report which set out the first quarter update to the 2015/16 Business Plan.

The Chief Executive highlighted that the Plan had included an action at 2.6, to “develop model for community cohesion”, but this was now likely to be fulfilled via the GOALS UK programme, and so it was suggested that it could be removed. In answer to a question, the Chief Executive explained that GOALS UK was a programme aimed at helping people to identify and strive towards personal objectives. [Confidential wording]

The Chief Executive said that Management Team had populated the Business Plan with timescales and further detail, as previously requested by the Board. However, the Plan was now being rewritten, following the recent changes in Government housing policy. In response to a question, the Chief Executive stated that the Welfare Reform Bill, which included the rent reduction proposals, had been published; further clarity was awaited on the details of the proposals. The Housing Bill, which would include the new Right To Buy and Pay To Stay proposals, was expected early in the new year

The meeting noted the report and

AGREED: That action 2.6, “develop model for community cohesion”, be removed from the Business Plan.
[This was confirmed by written resolution.]

168/15 **TREASURY MANAGEMENT AND STRATEGY UPDATE**

The Interim Director of Finance presented a report which provided an update on the Association’s current position regarding Treasury matters. The report included updated Treasury Procedures and Scheme of Delegations of Authorities for approval.

The meeting noted the report and

AGREED: That the revised Treasury Procedures and Scheme of Delegations of Authorities be approved.
[This was confirmed by written resolution.]

169/15 OPERATIONS PERFORMANCE OVERVIEW

The Director of Property presented the Operations Performance Overview report for the quarter ending 30 June 2015. He advised that the report had also been circulated to the Tenant Panel; members of the Panel had commented that a number of targets, in particular relet times, were not being met. These comments had been noted.

The meeting highlighted that performance around former tenant arrears and service charges & other arrears had fallen.

It was pointed out that the target response date had not been achieved for a number of complaints. The Director of Property explained that these were cases where there had been ongoing dialogue with the complainants; responses had therefore been made within the target date, but not via a formal letter. The meeting requested that future reports include an explanation for any similar cases.

The meeting noted the report.

170/15 FINANCE AND HUMAN RESOURCES QUARTERLY MANAGEMENT REPORT

Confidential item

171/15 RISK MANAGEMENT AND FRAUD AWARENESS UPDATE

The Deputy Chief Executive presented a report which detailed risk management activity during the quarter ending 30 June 2015 and provided an update to the Risk Map. He highlighted that Management Team had reviewed the Risk Map, particularly in light of recent changes in Government policy.

The meeting noted the report.

172/15 UPDATE ON DEVELOPMENT OF THE FINANCIAL PLAN

The Interim Director of Finance presented a report which provided an update on the development of the Financial Plan for 2015/16.

The Interim Director of Finance advised that a meeting would be held with RBS in the following week, to discuss their reaction to the Government's rent reduction announcement. Initial indications were that they would be supportive and were keen to work with associations to find a way forward.

The meeting noted the report.

173/15 PROCUREMENT APPROVALS

Confidential item

174/15 **COMMITTEE MINUTES**

Ian Pinches, Chairman of the Audit Committee, presented the minutes of the Committee's meeting held on 6 July 2015.

The Chairman advised that, after each Audit Committee meeting, an informal meeting was now being held between himself, the Board Vice-Chairman, the Chairman of the Audit Committee and the Chairman of the Chief Executive's Appraisal Panel, to review issues raised by the Audit Committee and to discuss how they could best be taken forward.

175/15 **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 Director of Property said that he would provide an update to the next meeting on progress with the installation of smoke detectors in loft spaces where electrical appliances were located.

The meeting noted the update.

176/15 **ANY OTHER BUSINESS**

(a) Finance Training for Board Members

The Company Secretary circulated copies of a National Housing Federation book called "Finance Demystified – a guide for housing association board members and non-finance executives". He asked Board Members to read the book in the next month, and then to let him know specific Finance topics that they would like training on. Training would then be arranged in-house.

(b) Sheltered Housing Garden Competition

Marie Connell advised that she had represented the Board on the Sheltered Housing Garden Competition judging panel. This had been a very enjoyable and worthwhile experience, providing her with an opportunity to meet with a number of tenants. Positive feedback had also been received from another member of the Panel, the Chief Executive of West Norfolk Befriending. The awards ceremony would take place on 10 September 2015.

177/15 NEXT MEETING

It was noted that the next Board meeting was scheduled for Monday 7 September 2015 at 6.30pm.

The meeting closed at 8.10pm.

CHAIRMAN