

**Special Board
Meeting
26 April 2011**

**Minutes and
Associated Reports**

FREEBRIDGE COMMUNITY HOUSING (FCH) BOARD

Minutes of a Special Meeting of the Board held on Tuesday 26 April 2011 at 6.30pm in the Conference Room, Juniper House, Austin Street, King's Lynn

PRESENT:

Ray Johnson (Chairman)
Lesley Bambridge
Matthew Brown
Sylvia Calver
Nigel Donohue
Irene Gammon
Geoffrey Hipperson
Michael Jervis
Ian Pinches

IN ATTENDANCE:

Tony Hall - Chief Executive
Sean Kent - Executive Director (Resources)
Abigail Ellis - Executive Director (Operations)
Malcolm Fry - Assistant Director of Finance
Angus MacQueen - Company Secretary

73/11 APOLOGIES AND WELCOME

Apologies for absence were received from Bill Guyan, Paul Leader and Colin Sampson.

The Chairman welcomed Ian Pinches, who had recently been appointed as an independent board member and was attending his first meeting of the Board.

74/11 DECLARATIONS OF INTEREST

There were no declarations of interest.

75/11 FAIRER FUTURES – THE AFFORDABLE HOMES PROGRAMME FRAMEWORK (report not available – confidential)

The Chief Executive presented a report which described a proposed bid to the Homes and Communities Agency (HCA) for Affordable Housing Grant, supported by a business case for conversion of a proportion of existing vacant social housing to new affordable rent.

The Board noted that new properties built with the aid of HCA grant within the Affordable Homes Programme would have to be let at an affordable rent level, equivalent to 80% of market rent. Additionally, Freebridge would be required to convert 40 existing vacant properties from social rent to the new affordable rent per year until 2015. The Board considered whether it was appropriate to

pursue a bid on that basis, or whether it may be sensible to wait for a few years before making a bid, in the hope that the rules might change. The Board determined that, in view of the large number of people on the waiting list for affordable housing in West Norfolk, it had a moral duty to pursue a bid at this stage. There would also most likely be pressure for a bid to be made by Freebridge. Furthermore, in its business planning work, the Board had acknowledged the need to build new homes, at the very least to cover for losses through the Right to Buy scheme. By making a bid now, Freebridge would not be committed to anything and there may be room for negotiation at a later date. If a bid were not made now, it could be more difficult to apply for grant in the future.

Some concern was expressed that the new affordable rent levels would be considerably higher than Freebridge's current rents, which were around 60% of market rent. It was possible that Housing Benefit would cover the difference in many cases, although reforms to the benefit system could impact on this. It was noted that some kind of assessment would be made as to the financial situation of housing applicants, although the details of this were not yet known; this would be considered when the Board developed its tenancy strategy, as would length of tenancies. The ideal would be that people progressed from social rent to affordable rent and, ultimately, to private sector housing/home ownership. It was stressed that existing tenants would continue to pay rent at the current level.

Concern was also expressed that the new regime would create a two-tier rent structure, whereby tenants could be paying very different rent levels for very similar properties. It was noted, however, that this was quite usual within social housing. The Government's rent restructuring system, introduced over 10 years ago, had been an attempt to address this, but even now social rent levels varied, both for properties owned by the same landlord and for properties in the same area owned by different landlords. Freebridge had itself been operating with a two-tier rent system, as existing tenants at transfer had benefited from a rent guarantee for the first five years of Freebridge's operation, limiting the rent increases required to reach target rent under rent restructuring, whilst new tenants since transfer had been charged at target rent with immediate effect.

The Board considered whether it would be appropriate to initiate some lobbying, possibly through the National Housing Federation, to indicate its discomfort with the new affordable rent system and/or to express its concern at the lack of guidance available. It was felt, however, that it would be more constructive to focus efforts on making the new system as fair as possible, and that lobbying against the system might have a negative impact on the consideration of Freebridge's bid. It was hoped that clarity and guidance would emerge over the coming months. The Board would have opportunities to shape policy when it considered the Localism Bill and its tenancy strategy.

In answer to questions, officers made the following points:

- The conversion of the 40 social housing units to affordable housing per year until 2015 would occur as and when the units became vacant.

The 40 units would not be the first 40 that became available each year; some, such as sheltered housing and those with disability adaptations, would most likely not be included. The Board would approve the details as part of its tenancy strategy.

- The scheme whereby Freebridge would manage properties on behalf of private owners would be an optional one; it would not involve compulsory purchase.
- All policy changes and determination of individual schemes would be referred to the Board.
- Whilst the bid to the HCA could increase Freebridge's risk profile with the funders, it should still be possible to remain within the funders' risk tolerance. The proposal put forward was a cautious one.
- The Chief Executive had applied to the Borough Council for a waiver to the clawback that would be applicable on the extensions to four properties referred to in the report.

RESOLVED:

- 1) That the programme offer to the HCA for the development of 72 properties be approved
- 2) That the conversion of 40 vacant social housing units to affordable housing per year until 2015 be approved.
- 3) That proposals be submitted for the empty homes programme and to provide extensions to four existing properties.
- 4) That authority be delegated to the Chief Executive, in consultation with the Chairman, to negotiate the final details with the HCA.

76/11 FINANCIAL PLAN UPDATE

Confidential item

77/11 BUSINESS PLAN TARGETS 2010/11 (click here to go to report)

The Chief Executive presented a report which proposed the corporate Business Plan targets for 2011/12.

A member questioned whether an average of 10.7 days lost through sickness per person was a sufficiently ambitious target. In response, it was explained that this target was better than Freebridge's current performance, and achievement of the target would be seen as a step towards ongoing improvement. Freebridge had made significant progress in tackling sickness absence, and had introduced robust policies to manage it. The demographics

of Freebridge's staff in terms of age meant that there was always likely to be an element of sickness absence, and this situation would most likely be exacerbated by the removal of the default retirement age. The figures were always skewed by a few long-term absentees.

In answer to a question, the Chief Executive clarified that the target of "200 new skills" was based on each member of staff acquiring a new skill.

RESOLVED: That the 2011/12 Business Plan targets be approved as presented.

78/11 ANY OTHER BUSINESS

(a) Trainee of the Year

The Chairman advised that a Freebridge joiner, Daniel Woodhouse, had been named "Trainee of the Year" by Norfolk Training Services. The Board asked the Executive Director (Operations) to pass on its congratulations to Mr Woodhouse.

(b) Retirement of Board Member

The Chairman said that Geoffrey Hipperson had indicated that he would not be remaining on the Board following the local elections on 5 May 2011, as he was not standing for re-election to the Council. The Chairman thanked him for his significant contribution to Freebridge as a Board member, both before and since the housing transfer.

The meeting closed at 8.10pm.

CHAIRMAN

| | | | | | | |
|--------------------------|----------------|------------------------|---|---------------|---------------|------------|
| Author | Tony Hall | Report Type | | Impact | | |
| Related Work Ref. | | For Decision | ✓ | High | Medium | Low |
| Business Plan | | For Information | | | ✓ | |
| Consultation | Executive Team | | | | | |

Meeting Date: 26th April 2011

Report Title: Business Plan Targets 2011/12

Purpose:

To approve the Business Plan targets for 2011/12

Policy/Strategy Implications:

None as a result of this report

Finance and VFM Implications:

The financial implications have been built into the Business Plan

Customer Care/Equality and Diversity Implications:

The targets support the Board's existing Customer Care Policies

Risk Assessment (cross-reference with FCH Risk Map):

1.2 Governance Framework. Board direction not implemented.

Impact: Critical, Likelihood: Low

Extensive Board member involvement in developing and monitoring the Plan reduces risk.

Recommendations: It is recommended that the Board

- (i) Approve the 2011/12 Business Plan targets

1 Background

- 1.1 At its meeting on the 11th April, the Board approved the new 2011 - 2015 Business Plan. It was agreed that the Board would be presented with the 2011/12 plan containing the corporate targets. The plan is set out in Appendix 1.

2 Targets

Increasing Satisfaction

2.1 90% Customer Satisfaction

Customer satisfaction remains a key business driver. The 2010/11 target was 83% our outturn for the year was 88.2% (March/April) which is upper quartile using the Housemark benchmark comparisons. It will become increasingly difficult to stretch this target.

2.2 Average Days Lost to Sickness 10.7

This is a new target and it is intended to be a 'proxy' indicator of staff satisfaction. At the present time average sickness is 11.5.

Community Focussed

2.3 Conclude Tenancy Visit Pilots 500

This will be a new project. It has been highlighted following consistent feedback from tenants that they value more regular contact with Freebridge.

2.4 85% Satisfaction With Views Taken Into Account

This also remains a key business driver. Last year we set a target of 75% with an outturn of 79.4% (March/April), which is well within the top quartile.

Appreciating Assets

2.5 95% Decent Homes

The target for full compliance with the Decent Homes Standard is June 2012. By the end of the financial year Freebridge need to achieve 95% Decent Homes. The current year estimated outturn is 82%.

2.6 18 New Homes

We currently aim to complete 15 new homes within the Homes and Communities Agency Programme during 2011/12. In addition we have allowed for the potential purchase of miscellaneous properties e.g. Hillington Square.

Increasing Capacity

2.7 200 New Skills

This is a new target. It is seen as a driver to underpin our aspiration for Freebridge to develop as a learning organisation.

2.8 £333,000 Cost Reduction

This is an existing target we built into financial planning in order to ensure that we consistently out-perform the Business Plan.

3 The Board are requested to approve the targets.

Freebridge Community Housing Business Plan 2011 - 2012

DEVELOPING HOMES AND CREATING OPPORTUNITIES FOR PEOPLE WITHIN WEST NORFOLK

| Increasing Satisfaction | Community Focussed | Appreciating Assets | Increasing Capacity |
|--|--|--|--|
| <p>90% Customer Satisfaction Average days lost to sickness 10.7</p> | <p>Conclude tenancy visits pilots (500 tenants) 85% Satisfaction with views taken into account</p> | <p>95% Decent Homes 18 New Homes</p> | <p>200 New Skills £333,000 Cost Reduction Target</p> |
| <ul style="list-style-type: none"> ○ Implement the Local Offer to tenants ○ Reduce complaints response time ○ Re-launch Mystery Shopping ○ Establish Tenant Panel ○ Develop Mary Gober training ○ Development plan for Customer Contact Centre ○ 'Behavioural Influencers' pilots ○ Revise customer profiling survey | <ul style="list-style-type: none"> ○ Community Development Strategy in place ○ Programme for tenancy visits pilot ○ Revised Financial and Digital Inclusion Strategy ○ Hillington Square pilot starts on site ○ Existing Local Charters are working well and new ones supported ○ Agreed approach to estate walkabouts ○ Tenants benefit from relationship with local organisations | <ul style="list-style-type: none"> ○ New Asset Management Strategy approved ○ Under-occupancy Strategy agreed ○ 18 new homes ○ Decent Homes Programme on target ○ European Union bid for retrofit project is successful and work has commenced ○ Plan wider energy efficiency pilots | <ul style="list-style-type: none"> ○ Identify cost reductions ○ Agree and implement succession planning and skills development programmes ○ Re-shape Sheltered Housing service ○ Build capacity to deliver stock management opportunities ○ Implement PSD Business Plan ○ Develop excellence in governance |