

FREEBRIDGE COMMUNITY HOUSING BOARD

Minutes of a Meeting of the Board held on Monday 4 August 2014 at 6.30pm in "The Barn", 2 Chapel Lane, King's Lynn

PRESENT:

Ray Johnson (Chairman)
Lesley Bambridge
Matthew Brown
Steve Clark
Tony Hall (Chief Executive)
Sean Kent (Deputy Chief Executive)
Paul Leader
Ian Pinches
Jasmine Rigg
Colin Sampson

IN ATTENDANCE:

Colin Davison - Director of Property
Michelle Gant - Director of Engagement
Angus MacQueen - Company Secretary

150/14 BOARD MEMBER RECRUITMENT

The Chairman tabled and presented a report which described the work of the Board Member Recruitment Panel 2014 and set out its recommendations.

The Chairman said that the Panel had used a robust scoring process to assess the candidates. He was delighted that all three of the current Board Members had scored well enough to be recommended for reappointment to the Board. In answer to a question, he confirmed that the Panel's decisions had been unanimous.

It was noted that all of the shortlisted candidates had, in addition to interview, attended lunch with the Panel, other Board Members and senior managers. The Panel had taken into account feedback on the candidates from those who had attended the lunch.

In response to a question, the Chairman stated that the appointments of the two individuals whose applications had been successful and were not current Board Members would be on an interim basis for six months initially, and, all being well, would be confirmed as permanent at the end of that period. They would be invited to attend the Board meeting on 8 September 2014 as observers.

[Confidential wording]

The Chairman highlighted that the Panel had felt able to recommend only two candidates to fill the three Tenant Board Member positions. In view of the

ongoing difficulty in recruiting suitable candidates as Tenant Board Members and because of the increasing requirement for highly skilled Boards, the Panel was suggesting that now was an appropriate time to move towards a unitary Board.

The Board thanked the Panel for their hard work.

RESOLVED:

- 1) That it be recommended to the 2014 AGM that Kimberley Ely be appointed as a Tenant Board Member until the 2017 AGM, subject to references and a check on the tenancy file.
- 2) That it be recommended to the 2014 AGM that Jasmine Rigg be reappointed as a Tenant Board Member until the 2016 AGM.
- 3) That it be recommended to the 2014 AGM that Marie Connell be appointed as an Independent Board Member until the 2017 AGM, subject to references.
- 4) That it be recommended to the 2014 AGM that Ian Pinches be reappointed as an Independent Board Member until the 2017 AGM.
- 5) That it be recommended to the 2014 AGM that Steve Clark be reappointed as an Independent Board Member until the 2016 AGM.
- 6) That the Company Secretary be requested to present a report to the next Board meeting suggesting Rule changes and a process to achieve a unitary Board at the earliest opportunity.

[Steve Clark, Ian Pinches and Jasmine Rigg joined the meeting at the conclusion of this item.]

151/14 APOLOGIES AND WELCOME

There were no apologies for absence.

152/14 MINUTES

The minutes of the meeting held on 14 July 2014 were confirmed as a correct record and signed by the Chairman.

153/14 MATTERS ARISING

There were no matters arising.

154/14 DECLARATIONS OF INTEREST

Steve Clarke, Ian Pinches and Jasmine Rigg declared interests in the item at minute number 150/14 – Board Member Recruitment – as they were candidates in this year's round of Board recruitment. They did not join the meeting until this item had been completed.

155/14 CHAIRMAN'S UPDATE

The Chairman said that he had been a member of the Board Member Recruitment Panel and, as such, had taken part in two days of interviews. He had been on holiday immediately before that, and so had nothing else to report.

156/14 CHIEF EXECUTIVE'S UPDATE

A written update from the Chief Executive, covering a number of issues, was noted by the Board.

The Board was pleased to note that Freebridge's bid for 80 properties within the new programme had been approved by the Homes and Communities Agency.

The Chairman highlighted that the Deputy Chief Executive had spoken at a PricewaterhouseCoopers employees' event, leading a question and answer session from a client perspective. The Chief Executive said that the Deputy Chief Executive and the Director of Engagement would also be speaking in September at a national Chartered Institute of Personnel and Development conference in London on coaching.

157/14 AUDIT COMMITTEE RECOMMENDATIONS

The Board received a report which introduced the recommendations of the meeting of the Audit Committee held on 21 July 2014.

Recommendations 1 and 2, as listed in the report, were considered under item 8 of the agenda (minute number 158/14 below), and recommendations 3, 4 and 5 were considered under item 9 of the agenda (minute number 159/14 below).

With reference to recommendation 6, it was

RESOLVED: That the revised Anti-Money Laundering Policy be approved, as presented to the Audit Committee.

**158/14 INTERNAL CONTROLS ASSURANCE ANNUAL REPORT
2013/14**

The Deputy Chief Executive presented the Internal Controls Assurance Annual Report 2013/14. 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 Deputy Chief Executive highlighted that the report contained a larger section on fraud than usual, in view of the fraud that had been suffered by Freebridge in May 2013. He stressed, however, that the fraud had not

occurred because of a lack of internal controls, but because the controls had not been followed.

The Board commented on the huge amount of work completed over the year which was illustrated by the report.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the Internal Controls Assurance Annual Report 2013/14, as presented, be approved.
- 2) That the statement of internal controls, as presented, be approved for inclusion in the Association's statutory financial accounts 2013/14.

159/14 DRAFT STATUTORY ACCOUNTS 2013/14

The Deputy Chief Executive presented a report which detailed the Association's draft statutory accounts 2013/14, 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 2013/14 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.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the statutory accounts 2013/14, 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 2013/14, 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.

160/14 BOARD'S REPORT TO THE ANNUAL GENERAL MEETING

The Company Secretary presented a report which sought approval for the Board's Report to the 2014 Annual General Meeting.

RESOLVED: That the Board's Report to the 2014 Annual General Meeting be approved, as presented.

161/14 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 2014 Annual General Meeting.

RESOLVED: That the draft notice of meeting and agenda for the 2014 Annual General Meeting be approved, as presented.

162/14 PROCUREMENT APPROVALS

The Company Secretary presented a report which advised of forthcoming procurement contracts worth over £50,000.

The Board was particularly pleased to note that a contract was to be let for garden fencing repairs/renewals, in view of the positive impact that this would have on neighbourhoods.

RESOLVED:

- 1) That the procurement of the following contracts be approved:
 - Garden fencing repairs/renewals – September 2014
 - ECO works – September 2014
 - Rewires to properties – October 2014
 - Flooring works – November 2014
 - Roofing works – November 2014
 - External Painting – December 2014
 - Supply of Concrete – January 2015

- 2) That the Director of Property appoint the successful contractors, subject to the requirements of Financial Regulation 7 having been followed.

163/14 LOVELL/PROPERTY SERVICES SUB-CONTRACTOR CONTRACT

The Director of Property presented a report which sought approval for Freebridge, through Property Services, to enter a contract with Lovell Partnerships Limited to manufacture and install timber entrance doors and works to stairs at Hillington Square.

The Deputy Chief Executive said that it was important for the Board to balance risk and return on contracts such as these. He had looked carefully at the figures for this contract and had concluded that it would be appropriate for Freebridge to enter into it in this instance.

The Board was pleased to note that this was another example of Property Services winning tenders for work.

RESOLVED: That Freebridge enter the contract with Lovell Partnerships Limited to manufacture and install timber entrance doors and works to stairs.

164/14 APPOINTMENT OF SHAREHOLDERS

The Company Secretary presented a report which listed applications for tenant shareholding and which suggested that the Board establish its stance on what, in terms of rent arrears, it considered to be a material or serious breach of the tenancy agreement.

Concern was expressed that, in establishing a stance on material or serious breach, the Board did not limit itself to that definition; it should be made clear that the stance was for guidance rather than a firm rule.

RESOLVED:

- 1) That the applications for tenant shareholding set out in Appendix 1 to the report be approved.
- 2) That “material or serious breach of the tenancy agreement”, as referred to in clause C15 of Freebridge’s Rules, be considered to be, for guidance purposes, in respect of rent arrears as arrears over £1,000 or there being a current Suspended Possession Order on the tenancy.

165/14 OPERATIONS PERFORMANCE OVERVIEW

The Director of Property presented the Operations Performance Overview report for the quarter ending 30 June 2014. He advised that the report had also been circulated to the Tenant Panel, but no comments had been received.

The Director of Property highlighted that performance was generally very good. The areas where performance trends were down against last year would be achieving target by the year-end.

In answer to a question, the Director of Property said that an action plan had been put in place to address the downward trend on former tenant arrears. He would arrange for this to be circulated to Board Members for information.

A Board Member highlighted that there was a downward trend on average relet times. In response, it was explained that this was partly because of issues with the West Norfolk Homechoice system and partly because of the rate of refusals. Work was being undertaken to improve the description of properties, with the intention of reducing the number of refusals.

The Board was pleased to note that the performance around appointments made had been retained as compared to the previous quarter.

The Board asked that its congratulations be passed on to the team responsible for gas servicing for its continuing excellent achievement of all properties having a gas servicing certificate. The Board had a legal

responsibility to ensure that gas servicing was up-to-date, and some recent regulatory findings of “serious detriment” had related to gas servicing.

The Board noted the report.

166/14 FINANCE AND HUMAN RESOURCES QUARTERLY MANAGEMENT REPORT

The Deputy Chief Executive presented a report which provided financial information for the quarter ending 30 June 2014, together with Human Resources key performance indicator information.

The Deputy Chief Executive highlighted that there was an adverse variance around rental income. This was largely the result of timing, in terms of relets, the availability of properties at Affordable Rent, and the completion of new properties; he was, therefore, not unduly concerned.

In answer to questions, the Director of Engagement explained that the current cases of long-term sickness absence were the result of long-term medical conditions which Freebridge could not have helped to mitigate. Freebridge was working to support the employees with access to occupational health, as appropriate, and had offered wellbeing support. Freebridge was also keeping the employees involved so that they did not feel isolated from the business. The impact on the workloads of colleagues of these long-term absences was being monitored, and additional resource had been provided when needed. The Board stressed the importance of managing carefully the return to work after long-term sickness, and was pleased to note that there remained good performance around sickness absence, with only 2.08% of working time lost.

The Board noted the report.

167/14 TREASURY MANGEMENT AND STRATEGY UPDATE

The Deputy Chief Executive presented a report which provided an update on the Association’s current position with regard to treasury matters.

The Deputy Chief Executive highlighted that, following the lessons learned report on the Cosmopolitan Housing Group case, he was considering the most effective, efficient and proportionate way of providing the Board with additional assurances on cashflow, assets and liabilities.

In answer to a question, the Deputy Chief Executive explained that each year’s covenant was set by reference to the approved financial plan; a 10% tolerance was then allowed.

The Board noted the report.

168/14 **QUARTERLY RISK MANAGEMENT AND FRAUD AWARENESS UPDATE**

The Deputy Chief Executive presented a report which detailed risk management activity during the quarter ending 30 June 2014 and provided an update to the Risk Map.

In answer to questions, the Director of Property said that he had reviewed the risks in the Risk Map attributed to him with an amber rating, and had concluded that a number of them would move to a green rating when the Risk Map was next updated. For those that remained as amber, he would set out the required actions in order to move them to green, with a timescale for completion.

The Board asked that its thanks be passed on to the Business Assurance Manager for a clear and concise report.

The Board noted the report.

169/14 **2014/15 BUSINESS PLAN – FIRST QUARTER UPDATE**

The Chief Executive presented a report which set out the first quarter update to the 2014/15 Business Plan.

The Board requested that, in future Business Plan updates, timescales be included against the bullet points in the progress column.

The Board noted the report and

RESOLVED:

- 1) That action 4.3, “Assess Opportunities for Chargeable Services” be removed and this work incorporated into action 2.1, “Develop a Social and Commercial Enterprise Strategy”.
- 2) That a new governance objective 4.7, “Further improve governance to ensure readiness for the revised regulatory framework”, be added.
- 3) That 10% of the Corporate Bond be reallocated from Hillington Square for the Board to award at its discretion.

170/14 **UPDATE ON DEVELOPMENT OF THE FINANCIAL PLAN**

The Deputy Chief Executive presented a report which provided an update on the development of the Financial Plan for 2014/15.

The Deputy Chief Executive said that it was intended to complete the 2014/15 Financial Plan before the budget details were finalised. This would enable a different approach to budget-setting, whereby budget-holders were told overall spend levels before setting their budgets.

The Board noted the report.

171/14 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 Association to provide a tenancy to the close relative of an existing employee.

172/14 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 Association to provide a tenancy to the close relative of an existing employee.

173/14 WORK UPDATE

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

- Action Sheet
- Future Work Programme of the Board.

In answer to questions, it was confirmed that the development plans for the Rampant Horse public house site in Gayton would be considered by the Development Control Board in September 2014. There was some opposition to Freebridge's plans from people who wished the site to be retained as a public house; however, Freebridge had acquired the site at auction after the public house had closed and support for the plans had been received from the Parish Council. A Freebridge representative would address the Development Control Board.

The Board noted the update.

174/14 COMMITTEE MINUTES

Ian Pinches, Chairman of the Audit Committee, presented the minutes of the Committee's meeting held on 21 July 2014.

175/14 ANY OTHER BUSINESS

- **Provision of a Tenancy to a Close Relative of an Existing Employee**

Confidential item

176/14 NEXT MEETING

The Board noted that its next meeting was scheduled for Monday 8 September 2014 at 6.30pm.

The meeting closed at 7.40pm.

CHAIRMAN