

FREEBRIDGE COMMUNITY HOUSING BOARD

Minutes of a Meeting of the Board held on Monday 22 July 2019 at 4.40pm in “The Barn”, 2 Chapel Lane, King’s Lynn

PRESENT:

Andy Walder (Chair)
Joanna Barrett (Co-opted Member)
Steve Clark
Marie Connell
Tony Hall (Chief Executive)
Marcus Hopkins
Brian Long (Minute Numbers 56/19(b) – 73/19)
Ian Pinches (Minute Numbers 49/19 – 72/19(b))
Pauleen Pratt
Jasmine Rigg
Richard Spilsbury (Co-opted Member)

IN ATTENDANCE:

Sophie Bates	-	Director of Housing
Alex Dixon	-	Director of Property
Birgit Lenton	-	Director of Corporate Services and Culture
Dave Marshall	-	Director of Finance and Resources
Ian Hill	-	Company Secretary
Angus MacQueen	-	Deputy Company Secretary

49/19 APOLOGIES AND OPENING REMARKS

(a) Apologies

Apologies for absence were received from Shelley Lamprell-Josephs, Simon Smith and Mike Britch (observer).

(b) Council Board Members

The Chair reported that the Council had advised that Marcus Hopkins and Brian Long would remain as its nominated Board Members for the ensuing year.

50/19 MINUTES

The minutes of the meeting held on 13 May 2019 were confirmed as a correct record and signed by the Chair.

51/19 MATTERS ARISING

There were no matters arising.

52/19 ACTION SHEET

(a) Hillington Square Project

In answer to a question, the Chief Executive confirmed that the Hillington Square project was in the process of being included as a specific entry on the corporate risk map.

(b) Progress of Demolitions

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(c) Review of Complaints Panel

It was highlighted that the review of the Complaints Panel was scheduled in the action sheet to be completed by March 2020; this should have read December 2019 and it was agreed that this be changed accordingly.

53/19 DECLARATIONS OF INTEREST

Confidential

54/19 CHAIR'S UPDATE

The Chair described the following activities that he had undertaken since the last meeting:

- He had held weekly meetings with the Chief Executive. Key themes at these meetings had been empty property performance and the development pipeline.
- He had attended a meeting of the Chairs of the Placeshapers associations. This had been a useful networking opportunity.
- He had attended a Strategic Forum meeting with the Council. The meeting had included some operational items which would, in future, be dealt with at officer level.

55/19 MANAGEMENT TEAM UPDATE

A written update from the Management Team had been previously circulated and was noted by the Board.

The written update covered the following issues:

- Changes in the Human Resources Team

- Health and Housing Agenda
- Annual Pensions Update
- Employee Conference
- Complaints Update
- Out and About Programme and Placeshaping Activity
- Declarations of Interest Update
- Shareholders

In answer to a question, the Chief Executive advised that his meetings with local health agencies had focused on how Freebridge might work more closely with them. In the long term, this might include the provision of key worker accommodation; in the short term this could be around nurses' accommodation and move-on accommodation for patients to enable more beds to be made available on wards.

56/19 PERFORMANCE PACK

(a) Introduction

The Director of Finance and Resources presented the Performance Pack for the Quarter ending 30 June 2019.

Discussion took place on each aspect of the Performance Pack, as set out below.

(b) Operational Performance Report and Financial Statements

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(c) Treasury Management and Strategy Update

The Board noted the update.

(d) Business Plan Project Update

The Board noted the update.

(e) Risk Management and Business Assurance Update

In answer to questions, the Director of Finance and Resources confirmed that each member of the Management Team reviewed the risks in their areas of responsibility on a quarterly basis. He would circulate to the Board a comparison of this quarter's overall risk score with that of the previous quarter.

The Board expressed concern that there had been no movement on the highest risks in the last quarter. The Chief Executive responded that the Management Team had held two sessions on these risks, and he and the Director of Corporate Services and Culture were now leading workshops with key staff to ensure that progress was made. The Board acknowledged the need for Management Team involvement at present, but stressed that the

operational managers should be addressing the risks in their areas. The Chair stated that the Board would wish to see at its next meeting progress on addressing the highest risks and to have assurance that Management Team members were able to step back from day-to-day involvement with the management of risks.

(f) Health and Safety Compliance

In answer to a question, the Director of Property confirmed that Freebridge was 100% compliant on fossil fuel certificates for its properties.

The Board observed that the Health and Safety Compliance report was detailed. The Director of Property said that, at some point in the future, the Board would receive a suite of indicators which would replace this report; he was not yet able to say when this would be available. The Board accepted that, in the meantime, this report provided it with the oversight it required.

(g) Tenant Panel Quarterly Update

The Board noted the update.

57/19 AUDIT COMMITTEE RECOMMENDATIONS

The Board received a report which introduced the recommendations of the meeting of the Audit Committee held on 8 July 2019.

Recommendations 1 and 2, as listed in the report, were considered under item 10 of the agenda (minute number 58/19 below), and recommendations 3, 4 and 5 were considered under item 11 of the agenda (minute number 59/19 below).

58/19 INTERNAL CONTROLS ASSURANCE ANNUAL REPORT 2018/19

Ian Pinches, Chair of the Audit Committee, presented the Internal Controls Assurance Annual Report 2018/19.

While acknowledging that the report gave assurance that there were sufficient systems of controls in place, the Board observed that the report highlighted ongoing concerns regarding some areas of the business, in particular Property Services. The Chair stressed that the Board would wish to see improvement at the next meeting.

In answer to a question, Ian Pinches confirmed that the Audit Committee had been satisfied that Freebridge met the regulatory requirement to “adhere to all relevant law”.

The Director of Finance and Resources highlighted that Internal Audit had provided Freebridge with a conclusion rating of 2 for 2018/19. While this was the same as last year, progress was being made, which was demonstrated by the fact that there had been 17 Internal Audit findings in 2018/19, as compared to 33 in 2017/18.

The Chair asked that a future strategy afternoon consider whether a grading of “adequate” in relation to internal controls was good enough. This was the grading which had been recommended by management for 2018/19 and agreed by the Audit Committee.

RESOLVED:

- 1) That the Internal Controls Assurance Annual Report 2018/19 be approved.
- 2) That the statement on internal control be approved for inclusion in Freebridge’s statutory financial accounts 2018/19.

59/19 DRAFT STATUTORY ACCOUNTS 2018/19

Ian Pinches, Chair of the Audit Committee, presented a report which detailed the Association’s draft statutory accounts 2018/19, including the Board of Management Report, Strategic Report, Auditor’s Report and Financial Statements. Also presented for approval were the Audit Completion Report 2018/19 and the Letter of Representation to the External Auditor.

The Director of Finance and Resources reminded the Board that this had been the first audit undertaken for Freebridge by the new auditors, Mazars, and he was pleased to report that the audit process had gone well. He advised that there had been two recent pension cases, one relating to Guaranteed Minimum Pension (GMP) and the other known as the McCloud Case, which had resulted in discussions nationally as to whether the outcomes of the cases should be reflected in accounts. The actuaries were of the view that they should not be, but Mazars had decided that they should be recorded as misstatements. However, the misstatements were not material, and so changes to the accounts were not required. The Board took assurance that the Audit Committee had considered this issue and was satisfied with the approach.

[confidential wording]

RESOLVED:

- 1) That the statutory accounts 2018/19 be approved.
- 2) That the Audit Completion Report 2017/18 be approved for submission to the Regulator of Social Housing.
- 3) That the Letter of Representation be approved for signature by the Chief Executive.

60/19 BOARD’S REPORT TO THE ANNUAL GENERAL MEETING

The Chief Executive presented a report which sought approval for the Board’s Report to the 2019 Annual General Meeting.

RESOLVED: That the Board's Report to the 2019 Annual General Meeting be approved.

61/19 REVISED RULES

The Company Secretary presented a report which set out draft Rule changes for approval to be taken forward to the 2019 and 2020 Annual General Meetings. He advised that legal advice had been received from Trowers and Hamlins which had confirmed that the proposed changes were legally compliant. Trowers and Hamlins had pointed out that consent was no longer required from the Regulator before an Association could become a subsidiary of another organisation, and so had suggested that this requirement be removed from the proposed Rules (Rule A5).

In answer to a question, the Company Secretary explained that, while the Rules set the overall structure of Board procedure, more detail was provided in the Standing Orders.

RESOLVED:

- 1) That the proposed changes to the Rules be approved, subject to the amendment suggested by Trowers and Hamlins to Rule A5 as described above, for consideration by the Annual General Meeting in due course.
- 2) That the Rule changes be phased over two years, as described in the report, to enable further work on developing a skills-based Board and enhancing customer involvement.

62/19 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 2019 Annual General Meeting.

The Company Secretary advised that a shareholders' lunch, provisionally scheduled for 4 September 2019, would be held in advance of the Annual General Meeting, and this would be an opportunity to explain the proposed Rule changes. The Chair asked all members of the Board to attend this event if possible.

RESOLVED: That the draft notice of meeting and agenda for the 2019 Annual General Meeting be approved.

63/19 GOVERNANCE COMMITTEE RECOMMENDATIONS

The Board received a report which introduced the recommendations of the meeting of the Governance Committee held on 1 July 2019.

Recommendation 1, as listed in the report, was considered under item 16 of the agenda (minute number 64/19 below).

In relation to recommendation 5, Marie Connell, Chair of the Governance Committee, advised that the Committee had had some debate as to whether there should be any increase in Board Member remuneration this year. Ultimately, it had been decided that an increase of 2% was appropriate, as it would be in line with the employee remuneration increase and would mitigate to some extent a large increase when the next external evaluation of Board Member remuneration was undertaken.

RESOLVED:

- 1) That the revised Freebridge Board Member Agreement for Services be approved.
- 2) That the Bridgegate Homes Director Agreement for Services for the Chair be approved.
- 3) That Standing Order 12, paragraph 2.1(f), be suspended to enable the Bridgegate Homes Director Agreement for Services to be executed as a Deed by two signatories (a Director plus another Director or the Company Secretary) and not under seal.
- 4) That an increase in Board Member Remuneration of 2%, to take effect from 1 July 2019, be approved.
- 5) Confidential

64/19 REVISED PROPOSALS TO INTRODUCE A CUSTOMER SERVICE COMMITTEE

The Company Secretary presented a report which set out proposals to introduce a Customer Service Committee. He said that the proposals had been developed in consultation with the Board (at the strategy afternoon on 10 June 2019), the Governance Committee and the Tenant Panel.

In answer to questions, the Company Secretary made the following points:

- Proposed terms of reference for the Customer Service Committee would be presented to the Board at its next meeting.
- It was not envisaged that the creation of the new Committee would result in a significant increase in employee workload, other than servicing the meetings. Much of the Committee's work would be to consider items which were currently being prepared for the Board.

The Board supported the creation of the new Committee, initially as a pilot, as it would enhance customer involvement in governance. It was stressed that the Committee would need clear terms of reference and that it should complement, and not duplicate, the work of the Tenant Panel.

RESOLVED: That a pilot be approved, running from 1 January 2020 until 1 September 2020, to establish a Customer Service Committee with key evaluation criteria and involvement of stakeholders and customers throughout.

65/19 TREASURY UPDATE AND PROPOSAL

Confidential

66/19 MEETINGS TIMETABLE 2020

The Deputy Company Secretary presented a report which sought approval for the 2020 timetable for Board and Committee meetings and the Annual General Meeting.

The Board acknowledged that it had previously discussed (at the December 2018 strategy afternoon) whether moving from 10 Board meetings per year to four had been too big a change, and whether it might be beneficial to revert to five or six Board meetings per year. However, the Board had now settled successfully into a routine of four meetings per year. Furthermore, at its next meeting, the Board would be considering revised terms of reference for the Audit and Governance Committees, terms of reference for the new Customer Service Committee, and revised delegations to the Management Team, all of which would reduce the Board's workload. The option to hold special Board meetings if necessary, for instance at strategy afternoons, also existed. The Board, therefore, decided to continue with four meetings per year.

It was noted that, in view of the decision taken under the item at minute number 64/19 above, meetings of the Customer Service Committee would need to be added to the timetable once this was established.

RESOLVED: That the meetings timetable for 2020 be agreed.

67/19 HILLINGTON SQUARE

Confidential

68/19 INDEPENDENT EAST

The Chief Executive presented a report which considered the principle of joining an informal group of Norfolk and Suffolk based housing associations, to be known as "Independent East". He reminded the Board that it had previously discussed this proposal at its strategy afternoon in June 2019.

RESOLVED:

- 1) That it be approved in principle to join Independent East.
- 2) That feedback be provided to the forthcoming meeting of Chairs and Chief Executives based on that provided by the Board at the strategy afternoon held in June 2019, as set out in Appendix 1 to the report.

69/19 APPOINTMENT OF SHAREHOLDERS

The Board noted a report which listed applications to become shareholders that had been approved.

70/19 COMMITTEE MINUTES

The Board received the minutes of the Governance Committee meetings held on 20 May and 1 July 2019 and of the Audit Committee meeting held on 8 July 2019.

71/19 FUTURE WORK PROGRAMME OF THE BOARD

The Board noted its work programme for the ensuing year.

It was pointed out that, in line with the resolution at 67/19 above, a report on the completion of the Hillington Square project would need to be added to the agenda items for November 2019 (unless it was possible to hold a special meeting at an earlier date for this item).

In answer to a question, the Chief Executive said that consideration of the Local Plan would be included as part of the Homelessness session at the Board's strategy afternoon in September 2019.

The Chair asked that Board Members put forward any topics that they would like to be covered at strategy afternoons. Regeneration and Freebridge Academy (to help young people into work) were topics that would be programmed into the schedule.

72/19 ANY OTHER BUSINESS

(a) "Paperless Board Meetings"

The Chair said that he, Jasmine Rigg and Richard Spilsbury had been trialling "paperless Board meetings" whereby they received their Board papers electronically only and used tablet computers to read and annotate them. The trial had been worthwhile, as a number of issues around user experience had been highlighted and addressed. It was felt that the arrangement was now sufficiently progressed that it could be rolled out to all Board Members in time for the November 2019 meeting. Briefing sessions would be organised in advance of that meeting.

(b) Steve Clark

The Chair said that this was the last Board meeting that Steve Clark would attend, as he would be standing down from the Board at the Annual General Meeting in September 2019. The Chair paid tribute to the considerable contribution that Mr Clark had made to Freebridge during his eight years of service on the Board. His insights into the housing sector had been invaluable, and he was an impassioned champion of tenants and employees.

(c) Planned Closure of the Fairstead Doctors' Surgery

The Board had been emailed in advance of the meeting details of a consultation on the closure of the Doctors' surgery on the Fairstead Estate, King's Lynn. The Board was of the view that, owing to the fact that a significant number of Freebridge tenants lived on the Estate, it would be appropriate for the Board to respond to the consultation.

The Board was concerned that, should the Fairstead surgery close, the nearest surgery for residents of the Estate would be a mile away. As a result, accessibility to health services would be reduced. Furthermore, local surgeries could become over-subscribed. There was also a danger that the Accident and Emergency Department at the Queen Elizabeth Hospital, which happened to be located next to the Estate, could experience increased demand from Fairstead residents who might start using it as the first point of access to health services.

RESOLVED:

- 1) That a letter be sent on behalf of the Freebridge Board, reflecting the points set out above, in response to the consultation on the proposed closure of the Fairstead Doctors' Surgery.
- 2) That the letter be composed by the Chief Executive in consultation with Pauleen Pratt (the Board Member who had brought the matter to the Board's attention).

73/19 NEXT MEETING

The Board noted that its next meeting was scheduled for Monday 4 November 2019 at 4.30pm. The Board's next strategy afternoon would be held on Monday 9 September 2019 at 12noon.

The meeting closed at 7.20pm.

CHAIR