

NEWARK AND SHERWOOD HOMES

Minutes of the Meeting of **THE BOARD OF NEWARK AND SHERWOOD HOMES** held on Thursday 28 July 2011 at 5.00pm in the Lady Chapel, Kelham Hall.

Present:

- Mr R Tracy (Vice-Chair)
- Cllr Mrs NA Armstrong
- Cllr R Bradbury
- Cllr Mrs B Brooks
- Mrs J Clark
- Mrs L Clayton
- Mr A Fell
- Mr E Lowe
- Mr D Roebuck
- Mrs J Solder
- Mr K Sutton
- Cllr B Wells

Officers in

Attendance:

- Mrs R Rance (Chief Executive)
- Mr S Feast (Business Services Director)
- Mr A Dewberry (Asset Management & Investment Manager)
- Ms M Jenkins (HR & Communications Manager)
- Miss S Williamson (Finance Manager)

The Vice-Chair welcomed Cllr Bruce Laughton as Portfolio Holder for Health and Homes, Ms Maria Hallows from Beever and Struthers and Cllrs Robert Bradbury and Ben Wells as new Directors on the Board.

48. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mrs G Hughes, Miss S Miles and Cllr Mrs C Rose.

49. **MINUTES OF THE BOARD MEETING HELD ON 14 APRIL 2011**

AGREED (unanimously) that:

the Minutes of the meeting held on 14 April 2011 were accepted as a correct record of events and signed by the Vice-Chair.

50. **CONFIDENTIAL ITEM – Minutes of the Board Meeting held on 14 April 2011**

The Vice-Chair introduced the confidential minutes.

51. **MINUTES FROM COMMITTEES**

a) Audit Committee held on 13 June 2011

The Vice-Chair introduced the minutes for the Boards information and consideration.

b) Human Resources Committee held on 15 June 2011

The Vice-Chair introduced the minutes for the Boards information and consideration.

52. ANNUAL ACCOUNTS – REFERRAL REPORT

The Vice-Chair introduced the report to consider the recommendation from the Audit Committee from their meeting held on 13 June 2011.

(Arthur Fell joined the meeting at this point)

Ms Maria Hallows of Beever and Struthers attended the meeting and addressed the Board in their first year as Auditors for the Company, giving a brief summary noting the audit process.

The Vice-Chair advised that the Annual Accounts had been thoroughly discussed and considered at the Audit Committee with Beever and Struthers presenting audit highlights, memorandum and the management letter. Beever and Struthers were comfortable and satisfied with the Accounts and have signed them off. The Audit Committee were therefore recommending approval to the Board.

AGREED that:

a) the Annual Accounts for 2010/11 be approved.

53. SELF FINANCING HOUSING REVENUE ACCOUNT IMPLEMENTATION

The Vice-Chair introduced the report to consider and decide the proposed approach, actions and processes to be undertaken to support the Council to implement the Self Financing Housing Revenue Account (SFHRA).

(Nora Armstrong joined the meeting at this point)

The Board discussed the four key strategic factors: Asset Management, Governance, Financial Management and Service Delivery and Improvements, which Directors of the Board will consider and develop principles for, to support the Council in its decision making processes to implement successfully the Self Financing Housing Revenue Account.

The approach the Board will undertake to fully consider the implementation of Self Financing and how the Board would take this work forward was discussed. Directors of the Board discussed the standards for service delivery and Asset Investment which they would want to see delivered by the Self Financing Housing Revenue Account and set principles for progression with the Council.

The Board has considered Self Financing Implementation over a period of time and, recognising its complexity, requested that training is continued to strengthen the implementation process. The Finance Manager explained she would provide tailored ongoing training.

AGREED (unanimously) that:

- a) **the approach, actions and processes outlined in this report to support the Council to implement the Self Financing Housing Revenue Account be approved.**
- b) **the responsibility to “to oversee the implementation of the Self Financing Housing Revenue Account and consider and decide issues as required regarding the four key strategic factors to enable the Company to support the Council to achieve its overall financial strategy to deliver the Councils strategic priorities” be delegated to the Audit Committee.**
- c) **i to iv below be approved as the principles for service standards and improvements, to inform the Self Financing Housing Revenue Account.**
 - i. **Services continue to meet the Newark and Sherwood Homes Local Service Standards.**
 - ii. **100% of the housing stock is maintained at the Local Decent Homes Plus Standard.**
 - iii. **The Company Vision, Objectives and Core Values.**
 - iv. **The principles approved by the Board on 4th February 2010 regarding Self Financing and the future provider.**

54. **ANNUAL PERFORMANCE REPORT**

The Vice-Chair introduced the report to advise the Board of the Company’s performance outturn in relation to Key Performance Indicators and Key Tasks for the year ending 31 March 2011, detailing clear actions to progress areas not performing to target.

Directors of the Board are provided with performance exception information on a monthly basis and are able to use this to monitor and challenge performance measures for Key Performance Indicators, Key Tasks and Management Accounts.

The Board discussed the high standard of performance achieved over the life of the Company and recognised the continuous improvement that has been delivered in line with the Company’s objectives. The Board also acknowledged the external accreditations received by the Company during the year and the awards made by industry bodies in recognition of the innovative initiatives in service delivery to tenants.

The Board recognised that Key Performance Indicators have again progressed positively for this year with a reduction in those not achieving target with 85% of indicators either improving or static performance. The Board discussed and acknowledged the level of performance delivered to tenants was extremely positive when compared to other housing providers and in particular those of similar size.

It was pointed out that it was important to recognise the high standards the Company sets itself, which are commendable, but may give an impression of non delivery unless the level of achievement and performance remains at the forefront.

AGREED (unanimously) that:

- a) **the positive performance outturns for the year ending 31 March 2011 are considered.**

b) Newark and Sherwood District council be informed of the evidence of the improving performance trends.

55. **FINANCIAL BENCHMARKING**

The Vice-Chair introduced the report to consider the HouseMark financial benchmarking performance for 2009/10.

The report provided a cost performance overview, summary of value for money measured using the Tenant Services Authority standards and detailed costing information by service area.

The Board discussed the performance data from HouseMark noting that the financial performance being considered is for 2009/10 and does not reflect current financial accounts. Directors of the Board also discussed the Efficiency Programme the Company had progressed since 2009/10 and how the efficiencies would be reflected in future HouseMark returns. It was also confirmed that the information provided within this report would be included within the Tenant Panel's work plan to provide the opportunity for the financial information to be scrutinised.

The Board recognised that the most useful cost comparator to use when comparing financing information is the total organisation cost per property, and were pleased to see when looking at the Company's overall cost position, that performance is within the 2nd quartile of our peer group and over performing for the Company size.

When considering the summary of the value for money performance, the Finance Manager highlighted that in presenting the performance across the standards the Company can demonstrate that all services areas are performing well. The Board took reassurance that where improvements were identified, tasks are already underway which should have a positive impact on future performance. There was a focus on the responsive repairs performance and the Board recognised the improvements from the previous year and the high performance on costs, service and customer satisfaction which is a direct result of the change management processes which have been progressed.

The Finance Manager led a discussion about the standard overhead indicator, '*Overheads over direct revenue costs*' and how this indicator is directly influenced by how organisations account for investment works which can be misleading if taken out of context with the broader range of overhead indicators. Directors of the Board regarded the further analyse work undertaken with HouseMark to consider our overhead performance in detail, as very informative and gave recognition to the over performance for Company size for the measure of overheads as a cost per property for the housing management functions, particularly as HouseMark recommend using this indicator as it is considered more robust for overhead comparisons.

The Vice Chair highlighted the work which had been progressed since 2009/10 and was interested to see 2010/11 results in the future which he considered would continue to be positive and reflective of the Boards focus to continually improve performance.

AGREED (unanimously) that:

- a) **strong performance the Company has delivered to achieve total costs for 2009/10 which over perform for our stock size be acknowledged.**
- b) **the proactive actions taken since 2009/10 to continue to drive down costs through efficiencies be endorsed.**
- c) **the positive value for money performance delivering low cost, high performing services which achieve high levels of customer satisfaction delivering the Company Vision, Objectives and Core Values be praised.**
- d) **the Tenants Panel be asked to scrutinise these figures.**

56. **WELFARE REFORM**

The Vice-Chair introduced the report to consider the Government's Welfare Reform proposals and the impact the reforms could have on Newark and Sherwood Homes, Tenants and Residents.

The report outlined the Government's announcement in June 2010 of a series of reforms to deliver a 21st Century Welfare System. The proposals aim to reduce the expenditure on welfare benefits.

The Board discussed the potential implications of housing benefit being paid to the tenant and not directly to the landlord on the income of the Company particularly in the context of the introduction of the Self Financing Housing Revenue Account. The Company is considering these and other issues arising from the welfare reform proposals to ensure that risks are effectively managed.

AGREED (unanimously) that:

- a) **reports be brought forward to future meetings as appropriate demonstrate actions to be undertaken to address the potential impacts of the Government's Welfare Reform proposals.**

57. **THE LOCALISM BILL**

The Vice-Chair introduced the report to consider the potential opportunities, threats and risks for Newark and Sherwood Homes arising from the proposed Localism Bill.

The report outlined the publishing of the Localism Bill in December 2010, setting out a series of proposals to move power away from central government and towards local people.

The Board discussed the potential impacts and risks to the Company, highlighting that the Bill is currently going through the House of Lords, and has been subject to change with more change anticipated prior to final Royal assent being received.

The Board welcomed the proactive approach of considering the potential impacts of the Localism Bill and identifying actions to be undertaken for consideration by the Board.

AGREED (unanimously) that:

- a) **reports be brought forward to future meetings to demonstrate the actions undertaken to address the possible implications of the Localism Bill.**

58. **CUSTOMER COMMENTS POLICY**

The Vice-Chair introduced the report to consider the Customer Comments Policy at Appendix A.

The report outlined how the Company's approach to dealing with Complaints, Comments and Suggestions would be integrated and strengthened to further improving our services by learning from comments made by tenants and other customers.

The Board welcomed the policy and discussed the third stage of the process; an appeal to be undertaken by the Tenants Panel, thereby involving local people and strengthening our approach to what is already in place. The Board also acknowledged the proactive inclusion of local representatives in dealing with complaints within the policy ahead of its predicted introduction through the Localism Bill.

The Board also highlighted the importance of recognising compliments received from customers as a motivational tool and were reassured that all staff compliments were shared and celebrated.

AGREED (unanimously) that:

- a) **the Customer Comments Policy be approved.**

59. **ANNUAL GENERAL MEETING 2011, RETIREMENTS**

The Vice-Chair introduced the report to consider the retirements at the 7th Annual General Meeting of Newark and Sherwood Homes.

The report explained that the Company's Constitution detailed the mechanisms in place for the retirement of Directors of the Board in rotation.

At this year's Annual General Meeting one Tenant Director of the Board is required to retire and two Independent Directors of the Board are required to retire.

AGREED (unanimously) that:

- a) **Arthur Fell, Sarah Miles and David Roebuck be the Directors of the Board to retire.**

- b) **section 4.3 of the Code of Procedures in respect to Contracts is invoked in relation to the election of Tenant Directors of the Board.**
- c) **where possible, in processes to identify new Directors of the Board the Board seeks assurance of a potential Director of the Boards' ability to discharge these duties.**

60. **ANNUAL BUS TOUR OF THE DISTRICT - FEEDBACK**

The Vice-Chair introduced the report to consider the feedback and evaluation of the Annual Bus Tour of the District held on 18th May 2011.

The report outlined the overall evaluation found to be enjoyable and the tour was considered to be useful, especially for new Members and feedback from people who had been impressed by what they saw.

The Board discussed the information pack at Appendix A-G which provided useful documents for those on the Tour and relevant information for those not able to attend.

AGREED (unanimously) that:

- a) **the feedback advising of the success of the Annual Bus tour of the District of 18th May 2011 is pleasing.**

In compliance with Principle 6 of the Company's Meeting Procedure, the public observing the meeting were asked to leave at this point as confidential information would be discussed.

61. **CONFIDENTIAL ITEM – MANAGEMENT AGREEMENT AND JOINT WORKING FOR EFFICIENCY**

The Directors of the Board considered the exempt item from the Chief Executive.

The meeting closed at 19.15

Chair