



**HIGH PEAK COMMUNITY HOUSING LIMITED
COMPANY NUMBER 4983817
BOARD MEETING**

27 July 2011

Present: Agnes Bradley (Chair), Chris Webster (Vice Chair), Alan Barrow, Jason Good, Margaret Nield, John Pritchard, Awaad Rashed, Edward Siddall, Emily Thrane, Mike Watson

In Attendance: Mark Ford, John Moss, Louise Pearce, Linda McAlinden (Minutes).

Also in Attendance: Andrew Stokes (Executive Director – Community Services) Ian Young (Strategic Housing officer HPBC).

1. **Apologies** – Peter Glover (Vice Chair), Graham Fox, Kerry Martin, Simon Rogers, Mike Coppock, Jason Hawkes

2. **Expressions of Interest**

Other than that which might reasonably be expected from tenants and Council nominees, no Expressions of Interest were declared.

3. **Minutes of last meeting / Matters Arising / Follow-Up Action Summary**

Emily Thrane proposed and Alan Barrow seconded that the minutes as presented were a true and accurate reflection of the meeting on 22 June 2011.

Board members **agreed**.

Matters arising

- The H&S Champion informed the board that the next meeting of the H&S committee would take place on 2nd September 2011.

- Peveril House is ongoing. A possible alternative offer has been identified for the current tenant and this will be reported back on.
- Margaret Nield and Emily Thrane have volunteered to be part of the Governance group
- Credit Unions are back on the agenda. The Manchester Credit Union were waiting until the Law Reform Order (LRO) was passed but this has been delayed again. Manchester CU are therefore proposing to reapplying to the Financial Services Authority (FSA) to extend their common bond and as part of this have to highlight where funding is available. HPCH have included £10k in this year's budget for this purpose. An update report will be produced when more information is known.

Follow up Actions

As stated.

The board at this stage agreed to progress to item 8 on the Agenda.

8 Housing Revenue Account Reform (presentation from Andrew Stokes, Executive Director Community Services HPBC)

Discussions have been taking place on what options are available for the future of managing the housing stock in High Peak, the monies available and what would be required.

Previously government tightly regulated what could be done and with what money. Decisions were dictated centrally which allowed for no local decisions to be made. A self financing model will be put in place for the HRA, however, this will require a sharing out of the government debt across authorities with an HRA accounts. An initial debt level indication has modeled for High Peak.

Calculations have been done using three possible scenarios. The first would be to maintain and meet decency. Decency in this case is; watertight with a heating system. The second would be to meet a desired decency; that is replacing kitchens and bathrooms on a planned programme. The third would be; to do all the work and community projects that are currently undertaken plus some development work. The modeling confirms scenarios 1 and 2 can be financed; however, scenario 3 would be more problematic.

The conclusion is that HPBC and HPCH could make the self financing model work. The coalition government has given a commitment and the document published explains the parameters and regulations. The self financing model needs to be implemented by April 2012.

The final figures may change, but hopefully not significantly, but specialists have modeled the current available figures. There is a need to ascertain what the business needs over the next 30 years taking into account, for example, demolition works, rent

setting, disabled adaptations, all of which will have an impact on the amount of work required, cost to the HRA account and the company and what the value of the housing stock is now and would be in the future. In order to do this a warranted stock condition survey is paramount to ascertain the level of spending on repairs over the 30 year plan. Reserves in the HRA have been set aside by HPBC to carry out this survey. The board stated that this is a high priority and need to set this in motion soon

Following some initial calculations the notional debt level amounting to £62.3m is greater than the real debt level of £57m and therefore there is some head room. There will be some ring fenced services that are clearly defined and not be negotiable. The system of borrowing limits will be defined. Unlike in the General Fund, where, if you are able to justify the borrowing, this maybe done prudentially. However, there will be opportunities to look at different ways of financing borrowing. There are some issues around accounting framework and there is a debate to be had over what the final debt level will be.

It was confirmed receipts from right to buy properties continue to be subject to pooling and settlement, at this time 75% being paid to government.

Self financing of the HRA account, will give the ability to set rents locally. Currently rents are significantly less than 80% of the market rate of private rented sector.

Members asked when the decision would be taken on an option appraisal and would tenants be engaged and views sought. HPBC wanted to deal with the HRA changes first then the options but as long as the model works then it is expected that the members will make a decision. The process is yet to be decided and a timetable set. There are a lot of different models yet to be looked at. Self financing does seem to offer the greatest genuine opportunity to work together and address tenants and HPBC issues. All agreed that the tenants need to be involved at the earliest opportunity. The first will be involved at board level at the away day. Change may need to be voted on by tenants at a later stage dependent on what the decision from HPBC is with regard to how the stock will be managed.

The intention is for HPBC and HPCH to work on the business plan together and the current assumption is that HPCH will continue. It was noted this would enable the company to be able to plan further than one year and the stability would be welcomed. It was agreed for the Board away day, 17 September; initial figures for both the future year's management fee and the likely level of savings that will be achieved as a result of the restructure would be made available.

It was observed that processes need to be in place to assist with those in hardship and the community activities – it was stated that there was provision in the first draft of the legislation but this is absent in the latest draft. The business plan will take this into account and will be done on affordability either by HPBC or HPCH.

Our business plan needs to demonstrate value for money and the plan can then be properly considered and amended. All need to ensure that HPCH are put forward as

the best company to manage any affordable properties built within High Peak. It is a challenge that HPBC need to deliver affordable housing, it was stated that this would be on the corporate strategic plan in September. Community is a vital part of the work done by HPCH and would hope that is continued.

Discussions will be required on what priority is to be placed on keeping properties up to standard and then on building. Also around the changing demographic and how this will affect the demand on different kind of housing stock. There is a need to start tackling under occupancy and ensure that the alternative is top quality accommodation to encourage internal migration.

In response to a query it was stated that the government will still have some indirect controls as they set the level of housing and other benefits; there will be some standards that will have to be adhered to, and there will be limits on the amount of borrowing that will be allowed, but to all intents and purposes decisions will be local the central government will be 'hands off'.

Andrew Stokes was thanked for attending and left the meeting at this point.

Confidential Items

4. Minutes from Confidential part of April 2011 meeting

5. Update on Company Restructuring Programme

The minutes for the above items may be found under separate cover.

6. Chair's Update.

The Chair reminded board members that it would soon be time to undertake the appraisals. She had rewritten the process and this would be used when the process starts.

She and the Chief Executive had attended the NFA annual conference held in Manchester and found it very interesting listening to all the different ALMOs experiences and most were very up beat following what their Council's had done. Others, mainly in London were more downbeat.

A member asked if the question of what would happen to those ALMOs who had not completed their decent homes work and where would their funding come from was raised at conference. It was stated that this had not been discussed. There is some funding available but ALMOs are not prioritised.

The Chair had met with Caitlin Bisknel the Leader of HPBC and Anthony McKeown, both of whom had previously been on the board of HPCH and as such were aware of

the company and what we did and very much in support.

There had also been a quarterly strategic meeting with Dai Lerner and it had been nice to meet with him again and restart these meetings.

7. High Level Business Summary

- a) **Company overview**
- b) **Management Accounts**
- c) **Performance**
- d) **Business Area Overview**
- e) **Tenant Scrutiny Action plan – update**

The above reports were noted and the following comments made.

- The management accounts had been discussed at the Audit and Resources sub group meeting earlier in the month.
- David Owen the H&S officer from HPBC had visited Furness Vale the previous day and also went out to see the H&S procedures in operation in a void property. The draft report will be brought to the next meeting but had scored the company 8 out of 10 from 7 ½ out of 10 and stated we were moving in the right direction.
- Contracted services are the services the company has bought in on an annual basis– there is a phasing issue due to the budget being phased evenly over the year. Budgets are to be reviewed and phasing applied, this will be done once the restructure has been agreed. On the next report the out turn forecast column will be reinstated and will reflect budget holders projections.
- Apologies were given for the information being transposed from the sickness levels to the average relet times
- It was queried if the increase in sickness was due to the restructure or viral. It was felt that there was an increase in attendance whilst unfit for work which had contributed to the spread of the virus!

Board members **noted** the reports

Special minute:

The Head of Finance asked that two additional signatories be added to the bank account, namely Mike Coppock and Jason Hawkes. The upper limit for these two signatories to be in line with the scheme of delegation.

This was proposed by Agnes Bradley and seconded by Margaret Nield.

The Board **approved the recommendation.**

9 Summary of sub group meetings.

a. Homes and Communities held 8 June 2011

In the absence of the Chair of this group Jason Good stated he would take questions. He reported that the highlight of the meeting for him had been an excellent presentation made by Dave Longbone on the work of the Community Partnership team. The board agreed that this should be seen as core to our services and requested that the whole board have the presentation.

A member suggested that other board members might like to attend some of the activities that have been organized to see at first hand this work. It was stated that the Head of Homes and Communities could give the presentation at the Away Day.

Board members **ratified** the minutes

b. Quality and Performance held 9 June 2011

In the absence of the Chair of this group the Chair reported to the board that the group had discussed the targets for the company and asked that they be kept at the same level as the previous year. It was unfair to raise the level during the restructure process.

The quality policy was also presented and the group recommended that the Board approve.

The total figure for the number of Carelink customers was not available at the time of the meeting but this stands at 1971.

The scrutiny group has now started on their second project and they are looking at communications during the repairs process. How are things communicated to tenants, contractors and other members of staff?

Board members:

1. **approved** that the company targets remain as they are due to the company restructure.
2. **approved** the revised Quality Policy
3. **Ratified** the minutes of the meeting.

c. Asset Management held 4 July 2011

In the absence of the Chair of this group the report back was given by Margaret Nield. The main subject of this meeting had been the stock condition survey and the group had requested that the board approve the financing of an external contractor to carry out the warranted stock condition survey.

This is now unnecessary as the Head of Strategic Housing from HPBC stated that this would now be financed by them although still a joint project.

Edale Way was also discussed and it was noted at this meeting that a decision should be received shortly from HPBC on the fate of this area.

They also discussed the changing of the repairs priorities and were asking board to approve the abolition of P4 due to the fact that these were usually completed well within the timescales published.

Board members:

1. **approved** the amendment to the Repairs priorities
2. **did not approve** that the contract for carrying out a further 20% of the stock options appraisal can be tendered and a contractor appointed to undertake the work as this would now be funded by HPBC.
3. **ratified** the minutes

d. Audit and Resources held 19 July 2011

This meeting had taken place the previous week and the minutes were not available for publishing. There was a request made that once available they would be emailed to the board.

The Chair of the group reported that the meeting had been put back as the auditors (Internal and External) had requested more time to complete the reports.

The Financial Statements had received a clean audit with nothing significant to report. The FRS 17 accounting for pensions had a positive impact on the final figures for this year. The external auditors PKF reported this was in line with what they had found in other organisations.

Fraud is now on the audit plan – it had been reported that this had escalated in the social housing sector, especially the setting up, changing bank details and payment of suppliers.

The group had been satisfied with the Internal audit visits. The auditors had been pleased in the main with the ICT Disaster recovery arrangements. The Chief Executive reported the ICT SLA had now been signed.

The audit plan had been discussed and the dates were being set for when they would be on site to carry them out.

With regards to the risk register the requests from board have been incorporated including the potential loss of key staff.

Controls assurance was discussed.

Board was informed that Integra migration would leave the company and the alliance without financial system for approximately one week anticipated to be in early October.

Board members:

- **Accepted** the Audit reports as presented
- **Accepted** the Annual Internal Audit plan 2011 / 2012
- **Accepted** the revised strategic risk map and revised scores
- **Accepted** the continued adoption of the methodology as outlined for this good practice approach to ensure that controls are implemented and managed within High Peak Community Housing.
- **Approved** the adoption of the Document Retention policy as presented
- **Approved** the minutes

There being no further business the meeting closed at 8.20 pm

Date of next meeting:	Saturday 17 September 2011
Time:	9.00 am for 9.30 am start
Venue:	Furness Vale

Signed:

Chair of the Board

Date:
