



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

26 October 2011

Present: Agnes Bradley (Chair), Peter Glover (joint Vice Chair), Chris Webster (joint Vice Chair), Alan Barrow, Graham Fox, Jason Good, Kerry Martin, Margaret Nield, John Pritchard, Awaad Rashed, Simon Rogers, Edward Siddall, Emily Thrane.

In Attendance: Mark Ford, Mike Coppock, Jason Hawkes, Louise Pearce, Chris McKiernon, Linda McAlinden (Minutes).

Also in Attendance Mrs Christine Potts, newly appointed Tenant Board member. Hamid Ghafoor, PKF Accountants and Business Advisors.

The Chair opened the meeting by extending a welcome to Hamid Ghafoor from the External Auditing Company, Chris McKiernon from the Finance team and Christine Potts and thanked them for attending. She also reminded the Board that this would be Jason Good's last meeting. Jason was thanked for his invaluable contribution to the Board and it was hoped that should his situation change he would consider rejoining the Board at a later date. All the Board members wished him well.

1. Apologies – Mike Watson

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

The minutes of the last meeting were proposed by Awaad Rashed and seconded

as a true and accurate account of the meeting held on 27 July 2011.

Matters Arising

The Chief Executive informed the Board that there would be an impact on the HRA due to the high RPI. It could lead to high rent increases and may result in a bigger debt being allocated to HPBC. There is still a high degree of uncertainty around what will happen in the coming year.

The Head of Corporate Services informed the Board that the consultation exercise with those affected by Edale Way is now completed and the results have been forwarded to HPBC.

Follow up Actions

All completed.

4. Minutes and ratification of decision – meeting held 29 July 2011 to discuss an urgent matter requiring decision between Board meetings (re Gamesley CESP project).

The Chief Executive explained that this project was to upgrade properties on Gamesley to make them more energy efficient and for which there was a substantial amount of funding available from energy providers. Due to a misunderstanding over a clause in the Management agreement delays occurred regarding the letting of the contract, which necessitated an urgent meeting of Board members to resolve the situation.

The Chief Executive acknowledged the concerns of Board members with regards to the process. This had never been necessary previously and assured the Board that the process would be reviewed with the Governance group. He also accepted that the decision of the meeting could have been communicated earlier and better to the Board and assured the Board that this would also be reviewed.

In response to a query the Chief Executive stated that HPBC wanting HPCH to hold the contract was entirely due to a misinterpretation of the clause in the Management agreement. The bigger risk at that time was losing the additional funding which amounts to £1.9m.

The whole issue of who in the future will hold contracts and what advantages this may bring, is being discussed by the Chief Executive and the Head of Strategic Housing at HPBC.

With regards to the CESP project The Chief Executive and Head of Asset Management assured Board members that all associated risks with the company holding the contract have been mitigated. Monthly payment

certificates are covered by the Memorandum of Understanding and any penalties incurred through late payments will be paid by HPBC. The contractual risk is being investigated, by the Company solicitors and the payment for this will come through the capital costs of the contract.

A member stated that this had not been handled very well by HPBC and they had urged HPBC to resolve the situation and ensure that this did not happen again.

Board members ratified the following recommendations from the minutes of the urgent meeting held on 29 July 2011.

- I. Members authorise HPCH entering into a contract with Climate Energy Limited for the delivery of work under the CESP programme at Gamesley.**
- II. Members delegate the signing of the contract on behalf of the company to the Chair of the Board.**
- III. A memorandum of understanding is established with HPBC to underpin HPCH obligations to make payments under the contract.**
- IV. Members authorise to Chief Executive to enter into the memorandum of understanding with the council.**
- V. Members authorise the issuing of a Letter of Intent to Climate Energy Ltd to allow works to commence on site whilst a formal contract is finalised.**
- VI. Members delegate the signing of the Letter of Intent to the Chief Executive**

The meeting moved to Agenda item 10 at this point.

10 Approval of Draft Statutory Accounts.

The Head of Corporate Services informed the Board that following the post balance-sheet meeting with PKF some changes had arisen but these were not material to the report that Board members had already received.

Hamid Ghafoor from PKF explained that PKF were in their second year of auditing the company and felt it useful to attend to give assurance to the Board and to go through the key elements of the accounts. The Audit and Resources group have gone through the report in depth and the main elements would be high lighted at this meeting.

P12 – statement declares this is a clean audit report. There are no issues on which to report.

P14 – Income and expenditure for the year £469k surplus indicates a strong performance and is significant for the next year.

P15 – the movement here is on pensions.

P16 - £129k does take into account the pension liability but this is wholly covered

by HPBC.

P17 – is the cash movement.

There have been no changes in these pages since the Audit and Resources sub group had scrutinized them in July 2011.

The Audit feedback report was also gone through in depth by the Audit and Resources group but there had been a change here. Point 3.4.7 on page 9 with regards to budgeting had been added. This issue was considered significant enough for a comment to be made in the report.

The Head of Corporate Services stated that there was an intention to improve the external audit process to tighten the deadlines in order for the Board to be able to sign off the accounts in July 2012. A timetable has been drawn up and will be submitted to the Audit and Resources meeting in December.

A Board member cautioned against being charged for some of the extra charges incurred by HPBC from the Audit Commission for the extra work required on their accounts, if any resultant charges were to be passed onto the Company. The Head of Corporate Services indicated that this was not considered likely but would review the situation.

The Board approved the statutory accounts and approved the signing of the Financial statement letter and the ISA letter.

At this point in the meeting Hamid Ghafoor and Christine Potts left the room.

- 5. Minutes from Confidential part of July 2011 meeting**
- 6. Update on Company restructuring programme**
- 7. Financial Processes Recovery Plan – including high level action plan agreed with Chair of Audit and Resources**

These items are confidential and the minutes may be found under separate Cover.

Christine Potts rejoined the meeting.

- 8. Chair's update**
There was no Chair's update.

9. High Level Business Summary

a. Company Overview

Report as it stands – there were no questions.

b. Management Accounts

Further work has been carried out since the production of this report and an amended copy to be distributed following this meeting. These are to be looked at in depth at the Audit and Resources meeting on 9 November. Board members asked to be updated following the Audit and Resources meeting in November.

c. Performance

There were no questions but a request was made for a better phrase than 'homelessness legislation' to be used in the commentary in the performance information. This was agreed for future reports.

d. Business Area Overview

The Head of Corporate Services reported that the summary is to show progress of the Company against the key themes. There were no specific questions.

e. Tenant Scrutiny action plan update

The Head of Corporate Services stated that acknowledgement was necessary for the work being done by the Communities Manager and the Customer Services Manager who have ensured that this action plan be progressed in the absence of the Manager in charge. Board members commented on the good progress.

Board members ***discussed*** and ***noted*** the report.

10. Approval of Draft Statutory Accounts for 2010 / 2011

Item discussed earlier in the meeting.

11. Summary of sub group meetings held since last Board meeting

Audit and Resources – 19 July 2011

Discussed at the July meeting however Board members were asked to accept the recommendations.

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

Audit and Resources – 21 September 2011

Chair of the group had asked for the full minutes to be distributed as the summary had not adequately captured the in depth discussions that took place and the concerns expressed at this meeting.

The internal Auditors, BDO, conducted an exercise to find out the effectiveness of the group and this initiated much discussion and an action plan will be drawn up on the strength of those findings. There is a strong recommendation that all sub groups undertake this exercise.

The group had also looked at the overview of the audits and acknowledged that some had been delayed. They had expressed deep concerns that the implementation rate was too long and had been assured by the Head of Corporate Services that this would be addressed and the Managers' concerned would be asked to attend future meetings to explain their non compliance.

The authorization signatories list is to be brought back to the next Audit and Resources meeting on completion of the company restructure.

Christine Potts was asked to join the group in view of her work back ground. She agreed.

Board Members:

- **Accepted** the Audit reports as presented
- **Approved** the interim authorized signatory list and **noted** that it would be represented once the restructure had been completed
- **Approved** the minutes

Asset Management – 3 October 2011

The Chair reported that the group had

- reviewed and ensured that the reporting mechanisms were now robustly in place for Fire risk / Asbestos / Health and Safety.
- Received the scrutiny report and agreed that this was a thorough and well presented report. They were also pleased to note that prior to them receiving it most of the actions requested had been complied with or addressed.
- Stated that the subgroup felt that as there was no Energy and Sustainability policy in place this could be viewed as a weakness in the

company. The Head of Asset Management confirmed that this is a key area within the business plan for ensuring progress is made.

A Board member noted that the discussions which had taken place at the Midlands ALMO Board member meeting were regarding 'harvesting the sun'. The Board did feel it would be worth investigating in the future.

Board members are asked to:

1. **Approve** the updating of the smoke detectors in Hartington Gardens at a cost of almost £7k.
2. **note** the work done by the Scrutiny panel and **approve** the investigation or implementation of the recommendations identified in the report and subsequent project plan
3. **Approve** the minutes

Quality and Performance – 20 October 2011.

The Chair of the group gave a verbal update of the meeting that had taken place the previous week. The group had done an in depth review of the balanced scorecard. They were also looking into the appropriateness of the performance indicators that are reported on once the self financing HRA is in place. A report is to be brought back to the group with some suggestions as to more pertinent indicators. The group had questioned the cost of empty homes and if the standard was affordable, or if the budget figures should be adjusted appropriately. Discussions had also taken place with regard to the Improving Service Delivery action plan and it was agreed that the plan is to be reviewed and revised, following the feedback from the Customer Services Excellence assessment. The SLAs are being reviewed by the subgroup and some new figures have been received for grounds maintenance. The subgroup have decided on a further report for cost:quality for the grounds maintenance SLA to the next subgroup meeting. Board were asked to note the increase in customer complaints but no trend has been established. The Chair of the subgroup reiterated that progress against the Tenant Scrutiny Action Plan for voids was pleasing.

12. Management of potential bribery and / or fraud situations

The Head of Corporate Services asked that Board members approve changes to the policy as stated in the report to take account in the change of personnel in the key roles.

Board members noted the report and approved the suggested amendments to the policy.

13. AOB

In response to a query regarding the membership of sub groups it was stated that the issue of sub groups in general would be addressed as part of the governance review. However, all Board members can attend any subgroup but would ask they obtain permission from the Chair of the subgroup, if they wish to speak at the meeting.

There being no further business the meeting finished at 8.55 pm.

Date of next meeting:	Wednesday 23 November
Time:	6.00pm
Venue:	HPCH Head Office, Furness Vale

Signed: _____

Signed as a true and accurate reflection of the meeting on behalf of the Board.

Date: _____