

LEEDS FEDERATED HOUSING ASSOCIATION

**MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON TUESDAY
26th November 2019 at 6.00 pm**

Present: Stuart Whyte (SW) Chair
Sue Howlett (SH)
Martin Warhurst (MWa)
Claire Stone (CS)
Shaid Mahmood (SM)
Kim Brear (KB)
Jaedon Green (JG)
Robin Machell (RM)

In attendance:

Matthew Walker (MW) Chief Executive
Stephen Blundell (SB) Director of Operations
Jason Ridley (JR) Director of Finance and IT
Megan Henderson (MH) Head of Corporate Services
Kirsty Morgan (KM) Head of Finance
George Nijjar (GN) Asset Manager Planned Improvements
Kate Suggitt (KS) Executive Assistant (Minutes)

		Action
1	Conflicts of Interest MWa declared an interest in regards to the development information contained in the CX report	
2	Apologies There were no apologies	
3	Closed Session – Confidential paper	
4	Items for Decision	
4.1)	2019-20 Budget and 30 Year Business plan half year update 19.190 JR introduced, explaining there are two aspects to the report, to update where the current year is expected to finish and to look at the business plan going forwards. 19.191 In regards to the current performance, it is expected to finish at the same level of surplus as expected but there are some pluses and minuses which have altered. There have been changes to management costs and overheads due to V21 but an underspend on maintenance. There have been delays in some of	

the developments which has led to reduced rent and interest costs.

19.192 The business plan has considered the above issues and how they could impact going forward. DTP have carried out stress testing and have confirmed that the plan could break but development could be stopped before this would occur.

19.193 JG commented that the assurances and seeing the different scenarios was really helpful.

19.194 Board considered and approved the revisions to the 2019/20 budget and 30 year business plan

4.2 Commercially Sensitive Item

4.3 Development Standard Assumptions (November 2019)

19.202 SB explained this report is bought every two years, or sooner if there is a significant event. Its aim is to give the Board an assurance that standard assumptions are within the ball park figures of comparable associations and risks aren't being taken.

19.203 Following a comparison with peer organisations, some minor shifts in parameters were proposed, mainly in regards to acquisitions of land sites.

19.204 JG raised that we are potentially relying on the availability of lower funding to build, noting that the Association has a high proportion of its loan portfolio fixed as mitigation against rates increasing.

19.205 JR clarified that he is looking at increasing funding and should be able to secure £10m revolving credit and £20m long term facilities at competitive interest rates. RM confirmed development committee were happy with the assumptions and retaining the 35 year appraisal timescale.

19.206 Board approved the Development Standard Assumptions (November 2019).

5 Performance

5.1) Performance Update

19.207 SB introduced and explained this is the slimmed down version that went to Operation committee, due to time frames. He summarised that overall performance shows no notable deficiencies or areas for concern.

19.208 There are three areas showing as amber and these are as follows:

- Homes for sale unsold for more than 5 months, factors that have affected this include s106 property types and the Associations own scheme at Greenview Mount. Properties have been handed back at different times and there has not always been an interest in all property types
- Finance has a variance on void loss at the end of the quarter , this is due to situations that have arisen in regards to supported housing voids where there has been difficulty trying to find tenants
- 1:1 and achievement conversations, failure to hit performance targets on this and other factors are leading to considering the methodology of this for different staff members. JG suggested quality of conversation is more important than quantity and flagging only where no conversations are taking place.

19.209 Board noted current levels of performance and actions identified to address areas of underperformance.

19.210 Board noted that these results have been considered and scrutinised in detail by the Challenger Panel, Leadership Team, and by Operations Committee.

5.2 Financial Performance to 30.9.19

19.211 JR introduced and explained this is the September financial performance which is very similar to the August report. Overall, still tracking well and the October flash report has shown consistency with September. It is expected that surpluses will reduce in the short term in line with the forecast due to the maintenance catch up in spending.

19.212 JG suggested an outlook report would helpful and JR explained that in future everything will be measured against the forecast once this has been approved

19.213 Board noted the financial results to 30th September 2019.

6 To Note

6.1) Chief Executives Report

19.214 MW introduced and explained this is a new report which combines the previous governance report and any other information which may be relevant for Board Members to be aware of.

19.215 Commercially sensitive

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19.218 The Board noted the remainder of the paper.

6.2) Value for Money Mid-Year update

19.219 SB introduced and explained it is a brief paper at the half year point in order to provide assurance. The policy was last reviewed in March 2018. The paper sets out what's been going on, any decisions taken, option appraisal work and smaller changes which may have a bigger effect.

19.220 Board noted the contents of this report.

6.3) Vision 21 Programme Update November 2019

19.221 JR started by giving an overview around benefits realisation and also confirmed that there is an additional financial benefit due.

19.222 JR also explained that there are 400 or so process improvement recommendations, many of which will have financial benefits that are yet to be looked at. There has also been significant investment made in systems and the benefits of these won't be realised until these are all implemented. There is a natural lag; but there will be benefits.

19.223 JG commented that a language differentiation would be useful, to help identify the differences between predicted benefits and realised benefits.

19.224 GN presented the update in a more visual form to help give the Board a greater flavour of the benefits. She explained she was giving a general update based on the last month.

19.225 She explained that there have been delays in some systems, the finance system is due to go live between February and April 2020, delayed from December.

19.226 GN then gave an update on the customer benefits. Hubs are coming online meaning more staff will be in the neighbourhoods and will have agile systems so can deal with things in a more prompt and reactive way. There are also new rent statements to make it clearer for tenants, these statements have seen an increase in requests for direct debits so has obviously had a positive impact on people seeing where they are.

19.227 SH would still like to see some more information on why things had gone out of scope. GN had highlighted what was out of scope but not the reasons behind it. GN gave a verbal update and to answer the queries and confirmed she would produce a brief report giving more details about scoping which would be sent out to the Board.

GN

<p>19.228 JR also followed up and explained that programme governance processes are followed with a documented rationale about why these decisions are made and also commented that some new things have come into scope as they are critical to subsequent projects.</p> <p>19.229 GN also confirmed that a monthly update about the progress of Vision 21 is sent out to all staff and from now on will be circulated to the Board also.</p> <p>19.230 JG said not to forget to bring to light customer feedback to show how their input has been put into practice. KB added that what is important to customers' needs to be communicated and remembering why agile is important.</p> <p>19.231 Board agreed paper brought the process back to life and thanked GN for this.</p> <p>19.232 Board noted the contents of this report.</p> <p>6.4) Mid-Year Treasury Review November 2019</p> <p>19.233 JR introduced the paper and confirmed there is sufficient funding in place until 2022, the Association is meeting covenants and complying with treasury policy and procedures. The £10mn loan from Santander is nearly ready to start drawing down and he is looking at a further £10m revolving credit facility and £20m long term facility in accordance with the Treasury annual plan.</p> <p>19.234 Board noted the contents of this report.</p> <p>6.5) Asset Management Update</p> <p>19.234 SB explained this is an update to advise on the progress of the delivery of the portfolio management plan agreed in July and the ongoing delivery of previous years plan. He confirmed that all is progressing well, although there are a few schemes where they have had to change tact.</p> <p>19.235 It was agreed, that in future, the report will show the balance between what has been realised in total receipt against what will be recycled as capital grants to be used in future scheme developments.</p> <p>19.236 CS asked if environmental factors are being considered in new developments, SB confirmed it was and again further discussion will be had on this at the Board away weekend.</p> <p>19.237 Board noted the contents of this report.</p> <p>7) Board Minutes</p>	<p>GN</p>
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<p>7.1) 19.238 Minutes of the Board meeting held on the 2nd October were approved as an accurate record</p> <p>8) Matters Arising</p> <p>8.1) Matters Arising 19.239 These have all been actioned</p> <p>8.2) Rolling Matters Arising 2018/19 19.240 These have all been actioned</p> <p>9 Minutes For Information</p> <p>9.1) Draft Governance and Remuneration Committee minutes 2 October 2019 (attached to Confidential paper agenda item 19.241 These were noted.</p> <p>9.2) LFPS Minutes 24 July 2019 19.242 These were noted and it was confirmed that the next meeting date had been confirmed</p> <p>9.3) Draft Operations Committee Minutes 6 November 2019 19.243 These were noted</p> <p>9.4) Draft Development Committee Minutes 6th November 2019 19.244 These were noted.</p> <p>10 Risk Review of Board pack 19.245 MW confirmed that the pack is consistent with the risk appetite agreed. He also commented that the top risks appendix is difficult to read on the ipads and a new format will be developed to make it easier.</p> <p>10 Any other business Commercially Sensitive</p> <p>11 Date of next meeting Board Away-Day – 17th/18th January 2020 Board Meeting – 31 March 2020</p>	<p>MW</p>