

## MINUTES OF THE BOARD MEETING

held on Tuesday 11<sup>th</sup> June 2024 at Weetwood Hall, Leeds

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### Board Members Present:

Kim Brear (KB)  
Jaedon Green (JG)  
Chris Simpson (CSi)  
Steve Dungworth (SD)  
Innocent Moyo (IM)  
Naseer Ahmed (NA)  
David Royston (DR)  
Charlotte Green (CG)

### Observers:

Kirsty Spark (KS)  
Steve Hepworth (SH)

### Employees Present:

Matthew Walker (CEO)  
Stephen Blundell (Operations Director) (SB)  
Jason Ridley (Director of Finance & IT) (JR)  
Megan Henderson (Head of Corporate Services) (MH)  
Mark Donnachie (MD) Head of Asset Management  
Michelle Collins (MC) Head of Housing  
Rebecca Cook (RC) Head of Finance & Procurement  
Karen McAdam – Minutes (KM)

### Apologies

Dedra Otchere-Darko (DOD)  
Claire Stone (CS)

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Kirsty and Steve were welcomed to the meeting as observers and incoming members of the board, with formal election taking place at the September AGM. (SB) was thanked by the board for his outstanding commitment to Leeds Fed.

#### 1. Conflicts of Interest

None noted.

#### 2. Risk Review of Board Pack (JR)

The paper was taken as read.

**24.001** - Salient points (JR) noted a change in risk score for #12 Behaviours which do not meet organisational standards or expectations. (JG) referenced Cyber Attack being outside the appetite for risk with a red/amber rating and noting further evidence is provided within Hydrogen concerning the preventative measures in place and through the annual review at

Audit & Risk Committee. (LB) advised that the scorecard tracks background activity but as the organisation is risk averse the risk will constantly show as red.

**24.002 The Board approved the two strategic risks currently exceed the stated risk appetite for the relevant activities as detailed in section 2 and note the change to the 'Current; score for Risk 12 as detailed in the paper.**

### **2.1 Cyber Risk Update Presentation (LB)**

**24.003** - (LB) provided an update of risks associated with cybercrime as hackers are getting more sophisticated in their attempts to compromise systems. Social engineering emails are on the rise, these mimic emails sent from a colleague.

**24.004** - (LB) noted on the morning of the meeting there had been 500 malicious attempts to compromise systems. Levels of protection include firewalls, antivirus, antimalware, MFA, Accredited Cyber Authentication, VPNs and encrypted disks as well as mobile device management software.

**24.005** - All colleagues are required to complete monthly training and testing on Boxfish, an online platform providing training on what constitutes a cyber threat. Pen tests take place both internally and externally and reporting is undertaken by an external company who compile a report of individuals who are clicking on links within emails or replying to a social engineered email.

**24.006** - (LB) referenced many housing associations have already been victims of cybercrime and advised the board of the importance of using only Leeds Fed emails going forward for both security reasons and GDPR. (SH) enquired if an alert could be added to personal email accounts, notifying that an email had landed in individual LFHA email inboxes. **ACTION POINT - (LB) to review and report.**

**24.007** - (LB) is currently exploring the logistics of including Board members on the Boxphish training platform. **ACTION POINT – (LB) to work with MH to set up Board members to access Boxphish training including receipt of fake phishing emails.**

**24.008** – Recovery after a potential hack was discussed. (LB) advised that a good backup strategy is in place with immutable backup under lock and key.

**24.009** Lukas was congratulated on an excellent presentation.

## **3. Items for Decision**

### **3.1 Annual Building Safety Compliance Statement (SB)**

**24.010** - (SB) key controls in place for building safety are operating correctly. (DR) referenced that it would be useful to have sight of the TSM percentage figures. (NA) questioned whether the Building Safety Policy required updating to reflect any recent changes to regulation.

**ACTION POINT – MD to lead on Internal Audit of Building Safety Policy Q2 2024/25.**

**24.011** - (JG) referenced the IDA feedback and the need to sample the controls. (SB) presented the active controls in place on Hydrogen with risk and status indicators for the effectiveness of the control, which are linked to KPIs.

**24.012 The Board approved the compliance statement against internal controls for the key areas of Building Safety services.**

**24.013 The Board approved the key changes in requirements to ensure Building Safety Compliance during 2023-24.**

### **3.2 Complaint Handling Code (SB)**

**24.014 - (SB)** Leeds Fed are compliant with the Complaints Handling code. There was an area of partial compliance last year which was non-publication of the board response. There is a response from the Board this year, which the Member Responsible for Complaints has reviewed.

**24.015 - (LD)** provided an overview of the changes made in the way complaints are handled by the Association. The emphasis is about putting things right for the customer and teams are being trained/upskilled. (JMG) referenced the emphasis and focus of putting things right at first stage, with less complaints moving to second stage. The complaint is overseen throughout the process by the Resolutions team and at the second stage they would then decide which senior staff member was brought in to handle the case. (NA) questioned whether a designated member of the leadership team should be noted on the policy, given that the next step is the Ombudsman. LD explained that at stage 2 it was usually a member of the Leadership Team who responded but did not want to restrict who was best placed to respond by stating this in the policy.

**24.016 - (SD)** Stated that at the Customer Experience Committee in May they reviewed the self-assessment and LD gave an update on the progress made and the changing culture. A member of the Challenger Panel was also at this meeting and confirmed that they were happy with the work that was being undertaken.

**24.017 - (IM)** Member Responsible for Complaints confirmed that he had reviewed the self-assessment and can provide assurance to Board on this matter.

**24.018 The Board reviewed and approved the self-assessment against the Housing Ombudsman's Complaints Handling Code (Appendix 1)**

**24.019 The Board agreed their response to the annual complaints and service improvement report (Appendix 2)**

**24.020 The Board approved the updated Complaints Policy test ('Putting Things Right') (Appendix 4)**

### **3.3 Treasury Annual Plan (JR)**

**24.021** Paper taken as read. (JR) advised supporting documents are held on the board area of OnePlace for anyone wishing to revisit these.

**24.022 -** The Board congratulated (JR) and the team on the timing of the refinancing. (DR) questioned the need within the next 12 months for a second counterparty to provide

flexibility. **ACTION POINT – (JR) to consider number of counterparties as part of the annual TAP review process.**

**24.023** – Commercially sensitive

**24.024** The Board approved the Treasury Annual Plan for 2024/25

### **3.4 Value For Money Policy (JR)**

**24.025** – (JR) noted the changes around tone of voice, making the policy more engaging and the social value noted within the policy and introduced the proposed addition of the fourth 'E' for Equity to help show wider community benefits, (JG) noted the need to elevate this and referenced employment of apprenticeships in local areas.

**24.026** - (KB) referenced the exemplary values exhibited by the Developer at the Sugar Hills site and alignment to the values held by Leeds Fed.

**24.027** - The code of governance for ESG was discussed. (JR) noted that returns are submitted to bLEND each year, (JG) suggested noting this in the Annual Report.

**24.028** The Board approved the updated Value for Money Policy.

### **3.5 2024-25 Budget & Business Plan update (RC/JR)**

**24.029** - Changes set out in the paper include marginal differences to improvement of the operating margin, with around £15m improvement to cash at the end of the plan. Key improvements are rephasing development based on the latest assumptions and the latest CPI+1 on the rent settlement.

**24.030** - (JR) noted the development plan has a budget to fund up until 2030, but the pipeline then stops. Expectation with every iteration of the business plan would be to extend by another year and fill up the existing pipeline subject to inflation and interest rates. (JR) noted the formal review taking place in March 2024.

**24.031** – (JR) updated assumptions have been made for the Pepper Hills site to mid-year. Projected metrics are in place as well as retrospective view for comparable data. 2022/23 outperformed target and higher than sector medium.

**24.032** - (DR) queried the development costs of net reduction of 7 units and build cost increase of £3.7m and the expectation of a decrease in CPI. **ACTION POINT - (RC) to clarify the overall change in number of units v overall spending set out in the table.**

**24.033** - (CS) questioned whether the planned maintenance figure for boilers was like for like or a forward-thinking exercise to replace with heat pumps etc. **ACTION POINT - (JR/MD) to investigate and report back to Board.**

**24.034** The Board approved the 2024/25 budget and 30-year business plan.

**24.035** The Board approved the 2024/25 and 2025/26 planned capital maintenance budget.

#### 4. Performance

##### 4.1 Performance Update (SB)

**24.036** - Year end results for regulatory returns show good performance and fewer triggers than prior year. Three risks include cyber-attack, poor customer perception of service quality/value for money, together with development of unviable new homes.

**24.037** – There are no significant backlogs noted with fire risk assessments with reviews being tabled at H&S Committee meetings.

**24.038** - (SB) noted it was difficult to determine a starting figure for the damp and mould cases and that whilst it sat within the green rag rating, the figure has now been adjusted and it is showing as a red.

**24.039** - (MD) noted follow up visits are being made to properties where damp and mould has been found in order for remedial works to be measured. **ACTION POINT – (MD) to compile a learning report, define the process going forward and combine this with the new law coming into force.**

**24.040** The Board approved the compliance statement against internal controls for the key areas of Building Safety Services.

**24.041** The Board noted the key changes in requirements to ensure Building Safety Compliance during 2023/24.

##### 4.2 Financial Performance Report (RC)

**24.042** - Operating margin 2023/24 19.3% actual, forecast of 17.7% showing a strong performance. Net surplus was behind forecast mainly due to the £930K movement in valuation of investment properties.

**24.043** - Questions were raised and answered by (JR) regarding losses and gains. (DR) referenced the pension liability increase and the fall in the value of gilts. **ACTION POINT – (RC) to forward the analysis report to DR.**

**24.044** The Board noted the financial results to 21<sup>st</sup> March 2024.

#### 5. To Note

##### 5.1 CEX Report (MW)

**24.045** Taken as read.

**24.046** – Commercially sensitive.

**24.047** - MW referenced Section 8 within the paper regarding self-referral noting the removal of the serious detriment test and the triggers of what constitutes a breach.

**24.048** - Planning for Owlcoates Road has been approved, funding will follow shortly.

**24.049 Board noted the report.**

## **5.2 Board Effectiveness Questionnaire (MH)**

**24.050** - The answers to the Board effectiveness questionnaire will be shared with the facilitator at the November Board weekend for further discussion. Members of the Board were thanked for providing narrative.

**24.051 Board noted the report.**

## **5.3 Annual HR Report (MH)**

**24.052** - The annual report includes the organisation as a whole and culture within. It does not include the operational element of the business. Members of the Board were asked if they would like to see further reporting introduced.

**24.053** - (JG) noted whistleblowing would be a useful addition to the report and (SD) noted it would be useful to have oversight of the operational aspect of the HR Function.

**24.054** - (MH) noted big ticket items within HR are recruitment and retention. (SD) questioned if salaries were the reason that recruitment and retention were difficult. It was recognised that this is the driving factor, but that the decision on salaries is not a Leeds Fed one.

**24.055** - (JG) spoke of the recent quarterly staff lunch he attended at Weetwood Hall and encourage other board members to attend. An invite was extended to all board members. The next staff meeting is scheduled for 18<sup>th</sup> July and there will be a Q&A session for Board members, with a list of questions provided prior to the event.

**ACTION POINT – Board members wishing to attend the next quarterly lunch are asked to contact (MH).**

**24.056 Board noted the report.**

## **5.4 Annual EDI Report (MW & MH)**

**24.057** - The policy review date is March 2025. The last We Thrive survey showed a strong positive response rate from prior year at 86%.

**24.058** - A discussion around diversity in recruitment took place. (CG) referenced SCOPE an organisation which supports people with disabilities to secure employment with appropriate training and kindly offered to share the details with (MH).

**24.059 The Board noted the report.**

## **5.5 Annual Assessment/Regulatory Standards and NHF Code of Governance (MH)**

**24.060** - Paper taken as read. Information contained therein will be included in the financial statement. A decision was taken that the board will have oversight of the self-assessment

prior to submission. **ACTION POINT – To schedule a meeting with Board members to discuss oversight of the annual assessment.**

**24.061 It is recommended that the Board note.**

- We are compliant with the RSH’s regulatory standards for the 2023-24 year.
- We are compliant with the NHG Code of Governance noting the succession arrangements in place.

**6. Minutes of the Board Meeting held on 26<sup>th</sup> March 2024**

**24.062 Approved.**

**7. Matters arising to note**

**7.1 Matters arising from 26<sup>th</sup> March 2024**

**24.063 Noted.**

**7.2 Matters arising rolling agenda 2024/25**

**24.064 Noted.**

**8. Minutes for Information only**

**8.1 Draft Customer Experience Committee Minutes 28<sup>th</sup> May 2024**

**8.2 Closed session Minutes of Board on 26<sup>th</sup> March 2024 (circulated separately)**

**8.3 Draft Health & Safety Committee Minutes 22<sup>nd</sup> April 2024**

**9. Any Other Business**

No other business noted.

**10. Date of next meeting**

16<sup>th</sup> July 2024, at Weetwood Hall.