

MINUTES OF THE BOARD MEETING

held on Tuesday 26th March 2024 at Weetwood Hall, Leeds

Board Members Present:

Claire Stone (CS) (Chair in KB's absence)
Jaedon Green (JG)
Chris Simpson (CSi)
Steve Dungworth (SD)
Innocent Moyo (IM)
Naseer Ahmed (NA)
David Royston (DR)
Charlotte Green (CG)
Dedra Otchere-Darko (DOD)

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:

Kim Brear (Chair) (KS)

In Camera

To include Governance and Remuneration Minutes with items for the Board to approve.

1. Conflicts of Interest

No new conflicts

2. Apologies

Kim Brear (Chair)

3. Risk Review of Board Pack (JR)

A balanced approach has been adopted for financial risks as agreed by the board.

23.304 (CSi) raised a question regarding future manifestos, (MW) noted whilst Leeds Fed do not engage in political activity, PlaceShapers do engage at a national level.

23.305 Cyber-crime and emerging risks were discussed together with the level of protection currently in place. (JR) advised Lukas Bisek, Head of IT covers all aspects of cyber-crime which include regular penetration tests on the servers, noting that advice from independent sources is that the performance protection is fit for purpose and that by going beyond this level of protection the monetary element would be disproportionate to the risk.

23.306 Whilst this does exceed the risk appetite, the board are not proposing to change the assessment of the risk but are aware that mitigating actions and that regular monitoring takes place.

23.307 Leeds Fed employees are regularly assessed and evaluated on cyber security. (IM) questioned if this training could be extended to board members. **ACTION POINT – (JR) to consult with Lukas Bisek and advise accordingly.**

23.308 Further discussion took place around 'my account' which is used by customers to access the Leeds Fed site and whether this carried a risk of a potential hack. (SD & JG) advised the unlikelihood of such an occurrence, explaining that the encrypted off-site data centre server would take over, which would allow for the Leeds Fed system to be closed in isolation.

4. Items for Decision

4.1 2021-2026 Corporate Plan Year 4 – 2024/25

23.309 (MW) introduced the Corporate Plan, the contents of which were discussed at the Board Awaydays on 19th/20th January 2024.

23.310 (JG) referenced the balanced scorecard figure of 80% noting he felt the figure should be higher. SB noted figures currently stand between 89% and 90%, noting that inflation and the rent review have been impacted on the figures, sector results are due in June and the figures will be reviewed inline. (CS) asked the board if they were happy with the rationale behind the setting of the current figure of 80%, the board were in agreeance.

23.311 (DOD) referenced sharing the document with customers which will enable them to understand the strategic aims and achievements.

23.312 (CS) jargon sometimes appears within the plan, referencing working collaboratively with others being worded by 'connect housing.'

The Board approved the:

- **2021-2026 Corporate Plan Summary; Year 4 – 2024-25**
- **2024-25 Strategies**
- **2024-25 Balanced Scorecard.**

4.2 Treasury Annual Plan 2024/25 (deferred until June Board)

4.3 Finance Policy 2023/24 (JR/RC)

23.313 JR) referenced the targets which remain in place given the continued uncertainty with the economy whilst still enabling the association to deliver its objectives. Sector comparisons have been included to provide context. (CS) asked the board if they were comfortable with cautious parameters, key to this is that objectives remain deliverable.

23.314 (DR) observation: continuing to reduce margins largely due to macroeconomics and also as a board decision, with an area of focus in the current operating environment there is an argument that, this is counter intuitive in that by increasing the margin to protect the business for future would be a rationale thing to do and whilst (DR) doesn't disagree, expressed that this should be revisited more than once a year. In terms of resilience of the business a reduced margin is a risky operating environment.

The Board approved:

The Financial Policy 2024/25 and specifically the continued application of the 2023/24 parameters for the 2024/25 financial year as set out in the Executive summary and associated table.

4.4 Budget & Business Plan (JR/RC)

23.315 (CS) referenced the flexibility of the disposal programme, which is a slight variation to what was originally approved, but the variation has had the assurance from DTP. It was recognised that the plan contained the corporate goals.

23.316 (JG) questioned whether a figure should be put in place for disposals with the need for a net increase. The board agreed that the number of disposals was a decision for Leeds Fed to make.

23.317 Stress tests are tabled at the Audit and Risk Committee twice a year with scenarios, risks and mitigating factors as well as cyclical events considered and emerging risks.

The Board approved:

The 2024/25 budget and 30-year business plan.

Flexibility on the number of disposals allowing Management's discretion to flex the timings as suitable properties become vacant subject to the overall net growth objective set out in the corporate plan.

Approves the full list of Assumptions provided in Appendix 11.

4.5 Board & Committee Terms of Reference (MH)

23.318 Terms of reference have been issued, reviewed, and adopted for Board and Committee meetings.

The Board approved the Terms of Reference for the following, and approved Item 4.8 CIG dissolution.

- **Board**
- **Audit & Risk Committee**
- **Customer Experience Committee**
- **Governance and Remuneration Committee**

4.6 Annual Policy Approval Report (MH)

23.319 (JG) referenced the vulnerability and exposure of operational policies, recognising that it would be an onerous task for the board to review both board and operational policies, MW noted that whilst it would not give assurance as such, the Board could be made aware as and when policies are being reviewed.

Action Point – MH to include reference to operational policies in future report for completeness.

The Board noted and approved the Annual policy report and content.

4.7 Rent Policy 2024/25 (RC)

Paper taken as read.

The Board approved the updated Rent Setting Policy including increasing social and affordable rents based on September CPI of 6.7%+1% where indicated.

4.8 Financial Standing Orders (JR/RC)

23.320 (DR) referenced elements of the report including covenants, stress testing, compliance, and taxation, noting further detail would be beneficial.

23.321 (JG) referenced disposals greater than £250k, noting synchronising with point made in the earlier discussion. (JG) discussed the tender process, trigger points, amounts and gain. (NA) referenced names

with role titles, noting SB's name would need removing from the document. **ACTION POINT – JR to review and consider further changes discussed including removal of SB from July.**

The Board approved the changes to the Financial Standing Orders and delegated authorities approved by SMT together with the dissolution of CIG.

ACTION POINT – (JR) To share the standing order delegation matrix on OnePlace in the Board area.

4.9 Loan Facility Agreement (JR)
23.322 Commercially Sensitive.

The Board approved the Transaction Documents and Proposed Facilities as set out in resolutions 6.1 – 6.28 in Appendix 3 CCP4 Board Resolution AGREED FORM.

4.10 Pepper Hills Option Appraisal
23.323 The impact on residents and reputational risk are key priorities as the building moves towards redevelopment.

23.324 (MW) referenced the letters sent to tenants will be worded sensitively, emphasising that they will be offered as much flexibility as possible in order that the appropriate accommodation is found for them.

The Board approved:

- **The emptying of the Pepper Hills scheme in readiness for redevelopment. Following demolition, the preference is that the redevelopment will be undertaken either by the Association or another Registered Provider.**

4.11 Control Risk Self-Assessment (CRSA)
Paper taken as read.

The Board approved:

The latest iteration of the Control Risk Self-Assessment Reports for use with Audit and Risk Committee and Board.

4.12 Consumer Standards – Self Assessment (SB)
23.325 Changes coming into force on 1st April will include additions into the self-assessment. (SB) advised that all the necessary elements are in place. Whilst there are some areas of amber on the RAG rating, work is underway to strengthen these.

23.326 (SD & SB) have been tracking the document which will form a useful checklist for the Operations Committee for use as a framework.

23.327 (SD) provided insight into the new Act coming into force which enables tenants to request information about their homes and the duty of the landlord is to ensure the information is accessible. It is unclear at this point whether the information will be in the form of a publication as is the case in Scotland or whether it will be held on a database/web platform.

The Board approved:

- **Assessment of position in relation to the requirements of the new Consumer Standards as of 15th March 2024.**
- **Noted areas where further work is planned or underway to improve the organisation's ability to fulfil the requirements.**

5. Performance

5.1 Review of 2023/24 Corporate Plan

23.328 MW introduced the paper, produced in line with the Code of Governance, to look back on the year retrospectively to use as a learning tool.

23.329 (JG) noted that looking back at the year to date, he would have liked to have been further ahead with re-financing.

23.330 (SD) noted this would be useful to hold as a facilitator discussion with the board, employees and residents and get their input.

5.2 Performance Update and Trends January 2023 (SB)

23.331 Results overall are good. SB noted that staff sickness at the company used to carry out water hygiene controls have impacted scoring, reassurances have been provided that measures are in place to address this area of their business.

23.332 Liquidity KPIs remain outside parameters, but refinancing currently in progress will mitigate.

23.333 Customer satisfaction shows positive results.

23.334 (JG) referenced the 3-month retrospective figures noting a vulnerability if the regulator were to ask a question about future results, which is where (JG) noted the focus should be.

23.335 Concern was expressed about the percentage figure to date for damp and mould. (JG) enquired whether this would be a monthly figure, noting concern. (SB) noted that the guidance figure will come from the Regulator and when this is apparent the figure will be noted in the calculation. Currently damp and mould reporting is a one size fits all, with effect from April the dynamic of the question will be changed as some cases are lower priority and can be remedied by educating tenants, whilst others are higher priority and need a focussed approach.

23.336 (JG) questioned the red ratings contained in the cyber security section and whether there is an increased concern of the ability to react, or if the level of protection needs increasing. **ACTION POINT – (JR) to investigate and report back on findings.**

The Board noted:

- **The overall assessment of performance.**
- **The assessment of adverse performance results on the probability of impact relating to one or more strategic risks.**
- **The conclusion that existing or proposed actions for improvement are adequate and the scoring and control frameworks for highlighted risks do not require review at the present time, based on these performance results.**

5.3 Financial Performance Report (RC)

23.337 February performance ahead of forecast. Variance at year end expected to remain. (JG) noted a challenging year, despite the red indicators on eighteen properties which should have sold this year. The pros and cons of recalibrating the budget took place as did removing the eighteen properties to gain a representative figure.

23.338 When and how variances are reported to the board were discussed – (JR) noted this is done mid-year and then a revised forecast prepared for the balance of the year. **ACTION POINT – JR to work with DR to identify future improvements to the forecast process and format of performance information.**

6. To Note

6.1 CEO Report

23.339 (MW) referenced the compilation of the learning report and action plan following the sad passing of GM. Following notification to the Regulator, a list of questions were sent out and answered, no further action required thus far.

6.2 Annual HR Report (deferred until June Board meeting)

6.3 Annual Edi Report to Board (MW/MH) deferred until June Board)

6.4 Updated Board & Committee Dates 2024-2026

The Board noted the changes to the Board and Committee dates 2024 -2026

6.5 Rationalisation of Properties by Disposal 2023/24

Taken as read.

The Board noted the disposals which have taken place in the financial year 2023/24 under the advance authority previously granted.

6.6 12 Middleton Crescent, Leeds – Confirmation of Chairs Action to approve.

Taken as read.

The Board note that Chairs Action Approval was granted on 5th January 2024 for the disposal of a Leeds Fed owned commercial property at 12 Middleton Crescent, Beeston, Leeds.

7. Board Minutes 18th July 2023

Approved.

8. **Matters Arising**

8.1 Matters arising from 18th July 2023

Actions addressed.

8.2 Matters arising rolling agenda 23/24

Actions addressed/in progress.

9. **Minutes for information**

23.340 9.1 Draft LFPS minutes 21st November 2023 (Approved)

23.341 9.2 Draft Operations Committee minutes 27 Feb 2024

23.342 9.3 Draft Asset & Investment Committee minutes 20th Feb 2024

23.343 9.4 Audit & Risk Committee minutes 23rd January 2024

23.344 9.5 Notes from the Board Awayday 19/20 January 2024

23.345 9.6 Health & Safety Committee minutes 5th December 2024

23.346 9.7 Draft Audit & Risk Committee minutes 5 March 2024

23.347 9.8 Draft Governance & Remuneration Committee minutes 12 March 2023 (closed session)

10. Any Other Business

None noted.

11. Date of next meeting

Tuesday 11th June, 17:00 at Weetwood Hall, Leeds.