**LEEDS FEDERATED HOUSING ASSOCIATION**

**MINUTES OF THE BOARD OF MANAGEMENT MEETING** held on 14th June 2022

**Present:** Kim Brear (KB) Chair

Martin Warhurst (MWa)

Jaedon Green (JG)

Robin Machell (RM)

Shaid Mahmood (SM)

Innocent Moyo (IM)

Dedra Otchere-Darko (DO)

**In attendance:**

Matthew Walker (MW) Chief Executive

Stephen Blundell (SB) Operations Director

Jason Ridley (JR) Finance and IT Director

Megan Henderson (MH) Head of Corporate Services

Kirsty Morgan (KM) Head of Finance

Angela Lomax (AL) Observer

Frances Hancock (FH) Corporate Support Coordinator

|  |  |
| --- | --- |
| **1 Conflicts of Interest**  Conflicts of Interest – No conflicts  **2 Apologies**  Claire Stone, Steve Dungworth, Rob Young and Chris Simpson    **3 Risk Review of Board Pack**  **22.001** MW introduced the risk register of Board pack and referenced the risk strategy session attended by Board in May. He said that the risks reflect the volatility of the current operating environment. MW outlined where risks exceeded the stated appetite and why. The Board discussed risks around Government policy with specific consideration to social and economic risks linked with future rent increases and rising costs. Board discussed splitting out the macroeconomic risks and Leeds Federated risks to give absolute clarity around what could be controlled or mitigated. Board took comfort from the insight obtained through PlaceShapers contact and the strong approach taken to stress testing noting that a mid year stress test would be presented in November. MW said that the risk is that these factors would have significant effect on activity which the Association needs to accept and recognise.  **22.002The Board noted the paper and approved the proposed changes to the Risk Register as detailed in section 2, with the exception of the proposed reduction in risk 10 score which they agreed to keep at 6, noting this is outside our risk appetite. The Board confirmed that therefore three risks currently exceed the Board’s stated risk appetite for the relevant activities as detailed in section 3.**  **4 Items for Decision**  **4.1 People Management and Organisational Development Policy**  **22.003** MH introduced the People Management and Organisational Development Policy for discussion and outlined the recommendation for the policy not to come back to Board after this point due to being an operational policy. The Board discussed that assurance is needed on how this policy is being implemented. MH said that Board has oversight of the Culture Index results and also feedback from the Health and Wellbeing Survey as well as a year end report.  **22.004** The Board discussed if other Associations are bringing this policy to their Boards. Feedback was that other Associations are not however this year could prove different due to the introduction of the new Code of Governance. The Board discussed that the policy framework should be kept under review and should there be a significant change or issue, the Exec Team should consider whether to bring this back for discussion.  **22.005 The Board approved the People Management and Organisational Development Policy. Board considered and approved the proposed change in policy approval and culture reporting.**  **4.2 Annual Building Safety Compliance Report**  **22.006** SB introduced the Annual Building Safety Compliance Report for discussion. SB said the purpose of this paper is to give Board specific assurance that we believe we are meeting our responsibilities in relation to Building Safety, and that internal controls are operating successfully. This is discussed in detail at Operations Committee meetings however this paper seeks to ensure that Board have visibility of this important area of work.  **22.007 The Board approved the compliance statement against the controls for the key areas of building safety.**  **4.3 NHF Code of Conduct 2022**  **22.008** MH introduced the NHF Code of Conduct 2022 which forms part of staff contracts and Board service agreements. The NHF Code of Conduct sits alongside the code of Governance 2020.  **22.009 The Board approved the formal adoption of the 2022 Code of Conduct for LFHA and LFPS. Board agreed that the Code will apply to Board members and staff at this time and, if agreed by involved residents, volunteers and involved residents.**  **4.4 Asset Management Plan – Update and Proposals**  **22.010** SB introduced the Asset Management plan update and proposals for discussion. The approach is key to delivering a number of goals in the current corporate plan. The paper highlights challenges and opportunities which will be put into a plan to be bought to Board in November. SB discussed managing the long-term implications of design and specification, and managing assets with long-term sustainability in mind to continue to have a positive impact on neighbourhoods. SB discussed stock types and delivering an investment programme which integrates energy efficiency and decarbonisation in a way that is affordable to Leeds Fed and which delivers financial benefits to customers in the form of lower running costs. SB discussed the 2021/22 stock condition survey and using that data to maximise the accuracy of future financial planning, and noted that the paper emphasises the need to look after that data well to maintain its value. The paper includes the work that has been done to date and proposes a structure for the plan to be bought back to Board in the Autumn. The idea is that this plan should commit us, insofar as this is ever possible, to a programme of investment that will enable us to meet the 2030 energy targets.  **22.011** The Board discussed risks around material costs and noted the team would need to be creative in balancing new development with the need to maintain and increase investment in existing stock. Board noted that refurbishment and regeneration was often harder than development of new stock. The Board agreed that the progress made to date was very positive and noted the good position in terms of data quality. The Board discussed the challenges of achieving net zero with some existing stock and the ongoing questions about future options that this raises. The Board discussed the importance of engagement with customers in conversations regarding stock condition and future investment, and communicating with the right language so that it is clear where the Associating is wanting to go for 2030.  **22.012 Board noted the progress towards the new Asset Management Plan and approved the overall approach proposed and the proposed outline structure for the plan.**  **5 Performance**  **5.1 Performance Update**  **22.103** SB introduced the performance update for discussion. SB said that there is a continuing lag on Section 106 handovers from housebuilders and therefore is showing as red on the report. SB said that the finalised position on rent arrears had been noted and that an improvement on the rent arrears position was not thought to be realistic in the current economic circumstances. The proposal is to set targets which hold the current position. JG said that he appreciated the brevity of this report and would welcome the figures alongside the colour coding.  **22.014 The Board noted the current levels of performance and approved finalised targets for rent arrears for the 2022/23 year.**  **5.2 2021-22 Financial Performance including year-end treasury review**  **22.015** KM introduced the Financial Performance including year-end treasury review for discussion. KM said that the operational margin was at 20.7% against a target of 20%. The net surplus at the end of the 21/22 year was £5.4m, £1.5m ahead of budget and pensions valuation gain. Additional statuses have been included and since then the Aberdeen standard account has been opened. An external audit has taken place and the feedback was very positive. The Board discussed the strong performance and asked that the positive sentiment be passed on to staff.  **22.016 The Board noted the financial results and treasury activities to 31st March 2022**  **6 To Note**  **6.1 Chief Executive Report**  **22.017** MW said that in response to a request at the last meeting, a summary of the Corporate Plan on one page has been provided. The Chief Executive report is to provide assurance of the Communications framework and give it strategic focus around what will be delivered, and updates would be provided over the coming months.  **22.018 The Board noted the Chief Executive Report.**  **6.2 Annual Assessment against regulatory standards and NHF Code of Governance 2021-22**  **22.019** MH said that the self assessment had been undertaken on Clearview and provided assurance that each area of the framework had been checked and updated by the relevant Heads of Service.  **22.020 The Board noted that Leeds Federated are compliant with the RSH’s regulatory standards and NHF Code of Governance.**  **6.3 Annual Board Effectiveness Questionnaire Survey Report 2022**  **22.021** MH thanked Board members for completing the questionnaire and outlined that an action plan will be taken forward to the Next Board Meeting in July following any outcome from discussion at the meeting or fed back from the appraisal process.  **22.022** The Board discussed how they had been mainly in agreement in the questionnaire with no negative scoring and that perhaps there was a lack of dissent. Board noted however that the culture and values of the Board ensure there is healthy and helpful disagreement. Assurance was provided by the Board that this was read and actions will be taken forwards.  **22.023 The Board discussed the results of the Board effectiveness survey and confirmed actions and additions they would like in response to proposed actions made. Board noted the content of the Board Effectiveness Survey.**  **6.4 Governance Review Report**  **22.024** MW introduced the Governance Review report for discussion, this report was due last year but was deferred due to having a new chair. The Association is looking for ways to improve and is keen to take learning from the report for Governance.  **22.025** AL said that the Governance review is a snapshot in time. The framework in place is strong and areas for consideration ways to improve an already effective structure. These include Governance administration, agendas, Chairs stating the outcomes of items, Committee structure, reporting and what goes where and succession planning. AL said that there is a diversity of viewpoints, skills, and experience on the Board, but more could be done such as building on comments and ensuring discussion is inclusive rather than 1:1 type conversations, a subtle change is language to go from questions to discussion.  **22.026** The Board thanked AL for her work on the report and discussed engagement of Board members in discussion and getting to hear different viewpoints. The Board discussed the need to get reassurance from the Exec team and also balancing this with curiosity to be mindful of time. The Board discussed the upcoming Board appraisals and that it is important that Board members are provided with feedback.  **22.027 AGREED ACTION MW and MH to prepare and action plan for both the Governance Review recommendations and Board Effectiveness recommendations and bring back to July Board.**  **22.208 The Board received, discussed, and gave feedback on the content and recommendations made in the Governance Review report.**  **7 Board Minutes**  **7.1 Minutes of the Board Meeting held on the 29th March 2022**  **22.029** Approved as an accurate record  **8 Matters Arising**  **8.1 Matters Arising from the Board Meeting 29th March 2022**  **22.030** These were noted  **8.2 Matters Arising Board Rolling Agenda 2022-23**  **22.031** These were noted  **9 Minutes for Information**  **9.1 Draft Operations Committee 10 May 2022**  **22.032** These were noted   * 1. **Closed Session Minutes of Board on 29 March 2022**   **22.033** These were approved   * 1. **Draft LFPS Board meeting minutes 29 March 2022**   **22.034** These were noted   * 1. **Development Committee 10 May 2022**   **22.035** No minutes to note due to stock tour   1. **Any Other Business**   10.1 **22.036** The Board confirmed there was no other business   1. **Date of next meeting – 19th July 2022 at 5pm.**   This meeting was agreed to take place in person, venue to be confirmed. | **MH/MW** |