

LEEDS FEDERATED HOUSING ASSOCIATION

MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON TUESDAY 6th October 2020 at 4.00pm (via Zoom)

Present: Stuart Whyte (SW) Chair
Martin Warhurst (MWa)
Claire Stone (CS)
Kim Brear (KB)
Jaedon Green (JG)
Shaid Mahmood (SM)
Robin Machell (RM)
Innocent Moyo (IM)
Dedra Obeng Kwakye (DO)

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) Vision21 Programme Manager
Kate Suggitt (KS) Executive Assistant (Minutes)

1	Post AGM Business – Chairs/Committees	Action
	<p>20.135 MW introduced and asked for approval for SW to continue as Chair.</p> <p>20.136 SW then ran through the proposals for membership and chairs of the Committees and sub-committees. It was noted that Kim Brear was the chair of the IHC Sub group.</p> <p>20.137 The Board:</p> <ul style="list-style-type: none">- Elected a Chair of the Board- Elected the Chairs of Operation, Audit & Risk, Development and Governance and Remuneration Committees- Approved the Audit & Risk Committee membership- Approved the Operations Committee membership- Approved the Development Committee membership- Approved the Governance & Remuneration Committee membership- Noted the membership and Chairs of the sub groups- Noted the correspondence arrangements for the Board	
2	Conflicts of Interest	
	None declared	

3 Apologies

There were no apologies

4 Items for Decision

4.1 Board and Committee dates for 2020-22

20.138 MW explained that he would like the Board Away weekend to be done in person, a venue with suitable space has been reserved and it was noted this will be reviewed nearer the time in line with current Covid restrictions.

20.139 It was agreed that KS would send diary appointments out to all members.

KS

20.140 Board approved the Board and Committee dates 2020-2022

4.2 Mid-Year Budget & Business Plan

20.141 JR introduced and explained it had been much more challenging process than usual due to COVID-19. The assumptions are very prudent but there is a lot of unpredictability associated with the pandemic and the team can't be sure that everything is covered. The plan has been stress tested with a range of scenarios including the COVID-19 'think the unthinkable' scenario and found to be resilient.

20.142 The mid-year budget is being used as the basis of the delayed FFR as requested by the regulator as a result of COVID-19 uncertainty. JR confirmed the FFR had now been submitted on time.

20.143 JG commented that he was supportive of the plan and the stress testing and is impressed that the Association is stress testing on top of stress testing. JG questioned whether as an Association we are comfortable with the limits or if they need calibrating.

20.144 SW suggested that this be discussed at the Board away day in January and then the risks and parameters clarified at the following Audit and Risk Committee.

20.145 CS would like to see the distinction between the soft and hard parameters of what absolutely can't be moved and where the Board does have scope.

JR

20.146 JR agreed and confirmed that various scenarios will be considered as part of determining the 2021/22 Budget and business plan taking into account the board's ambitions in terms of continued development, energy efficiency and tenancy sustainability and COVID-19. These scenarios would enable the

board to consider and then set their appetite for risk which would be reflected in the finance policy targets, trigger points and business plan.

20.147 Commercially sensitive

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20.150 The Board:

- **Considered and approved the revisions to the 2020/21 Budget and 30 year Business Plan, which form the basis of the 30 September FFR regulatory submission and noted the results of the stress testing of the updated business plan.**

- **Commercially Sensitive**

- **Approved the correction of the Gearing target within the balanced scorecard to align with the current tightest Dexia covenant of 50% from 28% and noted that other BSC targets will be adjusted as appropriate to reflect the updated 2020/21 Budget.**

4.3 Chief Executives Report

20.151 MW presented the paper, explaining that SW had been present at the launch of the Devolution paper on Monday and that MW will circulate to Board when it is released.

20.152 MW is due to attend a briefing with the Housing Minister and confirmed that there are suggestions to the wording of the Infrastructure Levy which they will try to convey.

20.153 It was also discussed that conversations are being had in other Housing Associations and within LT about the difficulties that staff are now facing after many months of lockdown and more to come. CS agreed that the support is needed but also being aware that performance needs to be taken into account and that it is a very careful balance.

20.154 MWa agreed and advised he is seeing an increase in long term sickness around mental health issues in his workplace. MH agreed that LFHA are starting to see the same kind of issues in the last couple of week. The culture survey has been mostly positive in terms of support given but there have been signs of people showing signs of struggling, especially within the customer facing workforce.

20.155 MW informed the Board that LT have decided to give staff 3 additional days leave between Christmas and New Year to recognise the hard work that has been done and the impact that lockdown has had. He advised that this has been very well received by staff.

20.156 CS asked if the Association are making a contribution financially in terms of increased heating bills etc. MH confirmed that she is in the process of developing a home working policy which would include a payment for those that choose to become full time home workers.

20.157 JG passed on thanks to the team for the work done on the remobilisation and how efficient this has been.

20.158 IM asked whether the working environment and 'new norm' were being taken into account when undertaking staff performance discussions and whether there were varying expectations. MH confirmed that there had previously been discussions at Board around how to move from process driven interactions to recording quality conversations. This is an area that is being given much thought to ensure a balance between performance management across the organisation and supporting staff appropriately.

20.159 Board approved the Stakeholder Map and noted the remainder of the report.

4.4 Unipol, Alexander Court Proposed lease

20.160 SB introduced and explained it's a piece of work that has been ongoing for a few months. The property has been student accommodation for the past 24 years. There have been some serious maintenance issues over the last few years. The conversations have been about simplifying the arrangement so that decisions could be made through Unipol direct and the Associations maintenance responsibilities would be clearer.

20.161 SB explained that there will be an initial rent free period of one year, and then a series of five-week rent free periods in 2022, 2023, 2028 and 2029. This would allow for maintenance and upgrades to the accommodation.

20.163 CS and JG asked about due diligence and if there are any break clauses and SB confirmed that there aren't.

20.164 JG highlighted that the paper could have been more balanced, he agrees that it is a good deal but that the paper didn't

need to be as one-sided as it is. SB noted this and will pass the feedback on.

20.165 Board approved Leeds Federated entering into a new 25 year lease with Unipol, based on the terms set out in the report and appendices and to commence in August 2021.

5 Performance

5.1 BSC Performance Update

20.166 SB explained that he is just reporting from July at this meeting and things have moved on which he will verbally update on.

20.167 There is an adverse budget variance on voids but this is not a cause for concern currently as the Association is catching up. There are 17 properties unsold for more than 5 months but this is a significant reduction from where it was and sales are now going well.

20.168 Repairs was the only red measure in July. The appointment system was remobilised in mid July and the team have now got performance back to 97% as of the end of August.

20.169 Rent arrears are showing as amber, this was always budgeted for due to the perceived impact of Universal Credit. The impact from Covid hasn't been felt as of yet.

20.170 Statutory Services area of concern is gas servicing and this was due to delays caused from a high number of people shielding over the Summer. The figure at the end of August is showing as 13 with preliminary figures suggesting the numbers were 3 at the end of September. As shielding restrictions are no longer in place, SB confirmed that the team are going through the legal process for injunction for the outstanding properties.

20.171 JG suggested just including the exception report to Board and the full detail to be looked at in Operations Committee. This was agreed by all.

20.172 Board noted current levels of performance.

5.2 Financial Performance for the period ending 31 August 2020

20.173 JR explained that the Association is currently outperforming the budget primarily due to underspends in maintenance which are expected to catch up. It was also confirmed that disposals aren't budgeted for so this would be additional.

20.174 Commercially sensitive

20.175 Board noted the financial results to 31st August 2020.

6 To Note

6.1 Vision 21 Update

20.176 JR clarified a point in regards to the V21 savings and confirmed that the target is annual and not cumulative.

20.177 GN explained projects are all going well, there have been a lot of challenges over the last 6 months. She confirmed that all projects will close at the end of October with the exception of Origin 2, P2P and Managing for Value. There are appropriate resources and governance in place and these are all expected to close by the end of the financial year

20.178 GN confirmed that the project is currently showing £686k in benefits and that a full programme closure report will come to the Board in November

20.179 SW and the Board thanked GN for all her work on the project.

20.180 Board noted the overall status and direction of the V Vision21 Programme

7 Board Minutes

7.1 Minutes of the Board meeting held on the 21 July 2020

20.181 These were approved as a true record.

8 Matters arising

8.1 Matters arising

20.182 These have all been actioned.

8.2 Matters arising rolling agenda 19/20

20.183 There were none to note.

9 Minutes for Information

9.1 Draft Operations Committee 8th September 2020

20.184 These were noted.

9.2 Draft Audit & Risk Committee 15th September 2020

20.185 These were noted.

9.3 Draft Health & Safety Committee 14th September 2020

20.186 These were noted.

9.4 Draft Development Committee 8th September 2020

20.187 These were noted.

RM explained there are some development summits being held over the next couple of weeks and invited Board to attend.

<p>10</p> <p>11</p> <p>12</p>	<p>Risk Review of Board pack 20.188 MW highlighted the top risks are appended to the paper and that Cyber Attack is recognised as the highest risk to the organisation.</p> <p>20.189 KB suggested that individual agenda items highlight any specific risks and this was agreed.</p> <p>20.190 The Board noted the paper</p> <p>Any other business</p> <p>Dates of next meetings 24 November 2020 4.00 pm 22/23 January 2021 Board away day</p>	
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