

LEEDS FEDERATED HOUSING ASSOCIATION

**MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON TUESDAY
5th October at 4.00pm (via Zoom)**

Present: Kim Brear (Chair)
Martin Warhurst (MWa)
Claire Stone (CS)
Kim Brear (KB)
Jaedon Green (JG)
Robin Machell (RM)
Innocent Moyo (IM)
Steve Dungworth (SD)

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
Kate Suggitt (KS) Executive Assistant (Minutes)

<p>A Post AGM Business – Chairs/Committees</p> <p>21.120 KB confirmed that members were welcome to attend any meeting, even if not official Committee members.</p> <p>21.121 MW confirmed that the pension sub group is open for whoever would like to join, MWa will be the Chair. The first meeting will be held in the next few weeks.</p> <p>21.122 Board members:</p> <ul style="list-style-type: none">- 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 Chair of the sub group- Noted correspondence arrangements for the Board <p>1 Conflicts of Interest</p> <p>RM declared his normal conflicts with other contractors and development. JG confirmed he is now a member of Together Board but has already registered this with MH.</p> <p>2 Apologies</p>	
---	--

Dedra Obeng Kwakye and Shaid Mahmood

3 Risk Review of Board Pack

21.123 MW introduced and confirmed that LT have recognised that there needs to be a change to the score regarding customer satisfaction as this area has seen a decline and needs increased scrutiny.

21.124 JR gave a verbal update that the raw and current risk for risk 8 and risk 14 (Failure or persistent underperformance of a key supplier or contractor) are proposed to be increased. This is to reflect wider supply chain issues particularly the repairs, construction section and the pressures on material costs and labour availability which is likely to increase our costs. As agreed, JR will bring a paper to November board setting out the recommended changes in the context of the board's risk appetite.

JR

21.125 JG raised a query regarding lending and energy efficiency. He advised that banks are already starting to incentivise A-C rated properties for mortgage finance, and would it be beneficial for the Association to use the property review to identify any properties EPC D and below which could be collateralised early. KB advised we can look at this as the strategy away days in December or January

JR

21.126 MWa raised a query regarding rent increases and external effects on income. He stressed that this needs to be just as high on the agenda as customer satisfaction. This was recognised and will also be included in the updated paper to the November meeting.

JR

21.127 Board noted the paper

4 Items for Decision

4.1 Board and Committee dates for 2022-23

21.128 MH introduced, explaining this is all the proposed dates for Board and Committee meetings and plans for whether they will be virtual or in person. MH asked for any comments or requests for any amendments.

21.129 Board approved the Board and Committee dates 2021 - 2023

4.2 Santander LIBOR Transition Amendment Agreement

21.130 JR introduced and explained it is a change to an existing loan agreement, not a new one. JG did highlight that although it is for formal approval by the Board, it does have to be done, it is not an option to not make the transition.

21.131 It was confirmed that with Board approval, JR can sign on behalf of the Association.

21.132 Board Approved the LIBOR Transition Amendment Agreement with Santander UK Plc.

5 Performance

5.1 Performance Update

21.133 SB presented the results, highlighting that they are as of the end of July. Sustain and Engage have a mixed amber and green performance, with some targets not met while Grow is all green with good performance.

21.134 Generally doing well on HR in terms of morale but do have increased levels of long term sickness. Repairs and satisfaction of work completed has remained high

21.135 Valid gas certificates are showing as amber but SB confirmed that there only at 6 overdue at the end of July and he also confirmed it's the best position the Association has been in for the last 3 or 4 years.

21.136 IT were slightly below target on service desk enquiries and system availability. The planned server move and cut off process impacted on this. JG raised that in other industries, planned outages would be excluded as part of benchmarking and wondered if we are being unnecessarily hard on ourselves over this. SB agreed and that is an area of reflection

21.137 There has been no further fall in customer satisfaction but SB is hesitant to confirm that this reflects an upturn and this area will continue to be monitored.

21.138 SD commented that he is generally used to seeing more data. CS confirmed more detailed analysis is provided at committees and it was agreed that a more formal direction of travel regarding data presented to the Board will be discussed more at away days

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

5.2 Financial Performance Report for the period ending 31 August 2021

21.140 KM presented the report and advised that the results are showing the Association is head of budget with a net surplus of £2.7mn against a budget of £1.5mn and this is mainly due to property disposals so far this year. KM confirmed that without the disposals, the margins would be tight. She highlighted that

underspends are masking the more serious overspends that are occurring, due partly to the supply chain issues already discussed and other unexpected increased costs.

21.141 LT are reviewing operating margins and considering how we will continue to deliver services. Discussions include delays to filling vacancies, postponing projects and looking at the options in terms of rent increases. It was confirmed that the Association is still compliant with loan covenants.

21.142 SD suggested that some comparison for supply chain and repairs costs in previous years compared to now, so the Board are able to get a view on how costs have increased might be useful.

21.143 RM raised a concern regarding sustainability and how this hasn't been factored in. This is an area for concern for him along with increased tender prices for development.

21.144 CS suggested we do some modelling for rent increases and how this affects the customer as well as how it affects the business. JR confirmed this can be included as part of the scenario testing that will be undertaken.

21.145 Board noted the report

6 To Note

6.1 Financial Standing Order changes

21.146 KM confirmed that the changes have been approved by SMT already. There has been an update for STW limit and shows contract values rather than annual values. Figures are now also shown excluding VAT. Changes are all compliant with the OJEU

21.147 Board noted the changes approved by SMT

6.2 Chief Executives Report

21.148 MW highlighted the stakeholder contacts he has had recently. Also confirmed that following JG's presentation at a joint board event, there has been a lot of interest from other HA's in regards to paper length and the Association appears to be ahead of the curve on reducing pack size.

21.149 JG raised a query regarding the carbon agenda and doesn't feel that this area has been adequately mobilised on. He did acknowledge there is a lot of work going on so questioned if we are appropriately resourced to support the volume and scope of work required.

JR

<p>21.150 Board noted the report.</p> <p>7 Board Minutes</p> <p>7.1 Minutes of the Board meeting held on the 20th July 2021 21.151 These were approved as an accurate record</p> <p>8 Matters Arising Board Meeting 20.7.21</p> <p>8.1 Matters arising 21.152 These have all been actioned</p> <p>9 Minutes for Information</p> <p>9.1 Draft Operations Committee 07.09.2021 21.153 These were noted</p> <p>9.2 Draft Audit and Risk Committee Minutes 14.09.21 21.154 These were noted</p> <p>9.3 Draft Development Committee Minutes 07.09.21 21.155 These were noted</p> <p>10 Any other business</p> <p>11 Dates of next meetings 23rd November 2021 at 4.00 pm 3rd/4th December 2021 Board Development away day 21st/22nd January Board Strategic planning away day 29th March 2022 at 4.00pm</p>	
--	--