

MINUTES OF THE BOARD OF MANAGEMENT MEETING held on 25th March 2025 at Weetwood Hall Hotel & Conferencing Centre, Otley Road, Leeds.

Board Members Present:

Kim Brear (KB) Chair
 Chris Simpson (CSi)
 Steve Dungworth (SD)
 Charlotte Green (CG)
 David Royston (DR)
 Steve Hepworth (SH)
 Kirsty Spark (KS)
 Naseer Ahmed (NA)

Guest: Mags Pearson (MP) from DTP

Apologies: Innocent Moyo (IM)

In attendance:

Matthew Walker (MW) Chief Executive
 Jason Ridley (JR) Finance and IT Director
 Mark Donnachie (MD) Assets and Development Director
 Michelle Collins (MC) Customer Services Director
 Megan Henderson (MH) Head of Corporate Services
 Rebecca Cook (RC) Head of Finance
 Karen McAdam (KM) Executive Assistant – Minutes

Item	Action Point
<p>1 Conflicts of Interest 24.289 (MP) from DTP attended the Board meeting as part of the governance review and whilst noted not a conflict, (MP) has previously worked with (KS), (SD) & (DR).</p> <p>Closed session to include Governance and Remuneration Minutes and items for Board to approve 24.290 (MW), (JR), (MD), (MC), (RC) & (KM) left the meeting to enable discussion.</p>	
<p>2 Apologies 24.291 (IM)</p> <p>Board & Committee Papers Review 24.292 (MW) referenced that a review of the format of board/committee papers took place last year and to further enhance this Stephen Blundell from Why Axis is looking to further enhance the format and production of these papers ensuring succinctness.</p> <p>24.293 (CSi) noted it would be useful to have the option for papers to be read out loud from an accessibility point of view. It was confirmed that if members are using GoodReader for reviewing their papers the software has this functionality.</p> <p>Chair of the Board Interviews 24.294 (DR) advised that interviews for the position of Chair of the board took place on Monday 24th March, with a panel of interviewers consisting of (DR) as Chair, (SD) and (CG). The panel recommend that (CSi) be appointed as Chairman of the Board. The paper of appointment will be included in the May board papers for ratification and the appointment will be made at the AGM in September.</p>	

<p>3</p>	<p>Risk Review of Board Pack 24.295 Paper taken as read; salient points include.</p> <p>24.296 (KS) referenced 5.3 of the paper; non-compliant to funding requirements' (JR) explained that the reference to potential non-compliance to funding requirements concerned Homes England requirements on LFHA's own build schemes and grant funding.</p> <p>24.297 A discussion about emerging risks took place and the unpredictability of factors including government decision making, potential changes at a local government level together with changes globally and the impacts these will have on our customers. Management team to review the impact and to report at the next Board Meeting. ACTION POINT – JR to revise the 'Deep Dive' report that went to March ARC for Board to consider at the May meeting.</p> <p>Board confirmed that the two strategic risks currently exceed the Board's stated risk appetite for the relevant activities as detailed in section 2.</p> <p>Board approved the change to the wording of Risk 10 Abrupt changes in Government Policy as per 4.3 in the report.</p> <p>Board approved the change to the wording of Risk 40 We develop homes that unviable as per 5.2 in the report.</p>	<p>JR</p>
<p>4 4.1</p>	<p>Items for Decision New Corporate Plan</p> <p>24.298 (MW) introduced the paper advising that whilst the operational plans are not part of the corporate plan, they are included for noting and to provide narrative and pace of projects.</p> <p>24.299 (CG) referenced the complaints satisfaction target fall from 70 to 45 questioning the analysis around this figure. (MC) spoke of the national benchmarking against peers noting that LFHA is top quartile in all areas.</p> <p>24.300 (DR) referenced 6 out of 9 measures have all reduced. (MC) advised her records showed 4 but would double check the figures. ACTION POINT.</p> <p>24.301 Board members expressed concern around reducing figures and the consensus was even if the measures are not achievable, we should aspire to be the best we can.</p> <p>24.302 Board agreed the approach of targets being the higher of either first quartile or our year end performance.</p> <p>The Board approved:</p> <ul style="list-style-type: none"> • The Corporate Plan 2025 – 2020 (Year 1 2025 – 2026) • Strategies for 2025-2026 • The Balanced Scorecard <p>4.2 EDI Policy 24.303 (MH) introduced the revised policy, noting it was review and consultation with the colleague team. (DR) enquired whether external advice had been taken, (MH) advised Equality Together had supported an initial review.</p>	<p>MC</p>

<p>24.304 (NA) referenced equity, noting the policy was drawing on service provision and would like to see employment practices included. (MH) agreed to revisit the policy. ACTION POINT</p>	<p>MH</p>
<p>24.305 (NA) referenced the point within the policy which states ‘contractors who support the delivery of services must align with our principles’ noting he would like to see partners included. ACTION POINT</p>	<p>MH</p>
<p>24.306 (SH) would like to see the policy published on the website. ACTION POINT</p>	<p>MH</p>
<p>24.307 The Board approved the Equity, Diversity and Inclusion Policy.</p>	
<p>4.3 Finance Policy</p>	
<p>24.308 (JR) introduced the paper noting the policy includes an overall operating margin target of 16% with a trigger at 16.5%, an increase of 1% on the 2024/25 parameter.</p>	
<p>24.309 (KS) requested the inclusion of the EBITDA-MRI measure within the Policy for additional context of performance even though the measure is not a Covenant for Leeds Fed. ACTION POINT – JR to amend policy to inclusion of EBITDA-MRI as per the RSH VfM measures which will include a target based on the business plan assumptions.</p>	<p>JR</p>
<p>24.310 The Board considered and approved the Finance Policy 2025/26, specifically the increase of the overall operating margin target from 15% to 16% and the continued application of all other 2025/25 parameters for the 2025/26 financial year.</p>	
<p>4.4 Budget & Business Plan</p>	
<p>24.311 (JR) introduced the paper, referencing the 10-year settlement for net carbon zero investment, interest rates, stress testing before and after implications and outputs.</p>	
<p>24.312 (JR) referenced the housing stock condition survey carried out by Savills in 2020, noting that the figure in the budget was set slightly higher; there have been further iterations which have shown rises and now shows the full 30 years based on the ASPREY asset management software.</p>	
<p>24.313 (RC) advised that the Natwest turnover was fixed yesterday at a rate of 5.859% which is improved against the variable rate in the plan of 5.875%. The new fixed rate means we are now back in a compliant position in terms of the treasury policy.</p>	
<p>24.314 (RC) spoke of the high-level applications for Wave 3 SHDF advising that we may receive 40% of that funding and have since had an update from West Yorkshire combined authority, suggesting 77% of what was originally applied for might be available via a different route, which leaves a potential funding shortfall still of 23%.</p>	
<p>24.315 (RC) spoke of the condition and volume costs in the 2021/22 stock condition survey noting a much faster increase on the baseline costs for components. The figure is reflected within the plan.</p>	
<p>24.316 (MD) advised that the revenue expenditure for 2021/22 assumed £6.6m would be the budget required for 2025/26, but the reality now is £7.9m. Contributory factors include the provision for damp, mould and condensation, pest control, remedial works for HHSRS, major roof and structural works increase, associated with retrofitting. Surveyors have been instructed to look at the whole property when visiting customers’ homes to ascertain if other items require attention.</p>	

24.317 (MD) referenced the tracking per unit for revenue maintenance on Housemark which is slightly higher than sector average which is £1,215 - LFHA is £1,372. (MD) noted the impact that some ageing stock in our profile has, alongside us prioritising the delivery of a high performing / high satisfaction service on repairs, which does come at a cost.

24.318 (SH) referenced the mitigations within the paper, questioning if members of the board could demonstrate their preference of priorities with leniency considered should a critical incident occur. (JR) agreed, noting that the resilience plan would form part of the agenda at the August board meeting for discussion.

24.319 (DR) referenced the stress testing in 2026/27 showing almost 20% of the surplus will arise from sales and whilst this is not detrimental (DR) advised to keep an eye on this.

24.320 (DR) requested an updated position of the Pepperhills site. (MC) noted 11 customers remain with specialist needs, a more tailored approach is needed to ensure they are rehomed in a way that their needs will be met. (MD) advised talks are underway with a local registered provider, with open market being another option.

24.321 (SD) praised the business plan and the strategic thinking in terms of planning and projects over the next 30 years. The board reflected on the past 10 years noting the service cost was about one third of the budget and whether this could have been predicted and how could the next 10 years be predicted. Board members discussed potential structure changes, extra compliance costs and the needs of our customers which may mean a refocus on the service with a slightly different relationship.

24.322 (SD) referenced stock control, noting it would be useful to have sight of properties which are not performing as well as others. (KB) noted the board should periodically have a session to oversee work which needs doing in terms of what percentage of stock is in good condition, where we are focussing our effort.

24.323 (CSi & KS) referenced the recent NHF conference, where suggestion was made that disposals would be looked at more closely with the Regulator looking at businesses to ascertain whether they are being propped up by disposals.

24.324 The Board approved

- **The 2025/26 budget and 30-year business plan with stress testing report.**
- **The full list of Assumptions provided in Appendices 1 & 2.**
- **The 2025/26 and 2026/27 Capital Maintenance Budget.**

4.5 Board & Committee Terms of Reference

24.325 Board noted the ongoing External Governance Review which may make recommendations in relation to Terms of Reference.

24.326 The Board approved the Terms of Reference for:

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

4.6 Annual Policy Approval

	<p>24.327 (MH) outlined the policy list and current delegated authorities agreed by board. The board were asked to highlight if there are any policies which are not listed that they would like to see.</p> <p>24.328 The Board felt it would be useful to have sight of other organisations policy list to identify any potential gaps in our own. (SH) agreed to share Ongo Home’s policy list.</p> <p>24.329 (SH) noted that the policy list may benefit from clarity over which of the policies we expect customers to consult on with customers and which can be located on the website. ACTION POINT</p> <p>24.330 The Board approved the policy list with and approve the delegations outlined. The Board did not highlight any policies missing that they would expect to see.</p>	MH
4.7	<p>Development Policy</p> <p>24.331 (MD) introduced the policy. Following Board agreement, the rolling 5 year programme of eighty units per year has commenced, It was noted that the next few years was higher than that due to the existing programme.</p> <p>24.332 (DR) would like to see a statement within the policy regarding EPC/Net zero. ACTION POINT</p> <p>24.333 The Board approved the Development policy and supporting appendix.</p>	MD
4.8	<p>Whistleblowing Policy</p> <p>24.334 (MH) introduced the policy.</p> <p>24.335 (KS) would like an addition to the policy to include that there is no entitlement for the Whistleblower to view the investigation report. ACTION POINT</p> <p>24.336 (NA) questioned the internal process for advising board of whistleblowing cases. (MH) advised the last case was 8 years ago. The Chair of the Board and Audit and Risk Committee are advised of cases as appropriate. Cases are documented in the annual HR report.</p> <p>24.337 (NA) referenced the potential of members of staff contacting external agencies and suggested writing something in the policy to discourage this. (CSi) noted that whistleblowing is about hearing colleague voices within the organisation and to encourage them to voice their opinions.</p> <p>24.338 The Board approved the Whistleblowing Policy</p>	MH
5	<p>Performance</p> <p>5.1 Performance Update</p> <p>24.339 (MD) reported a good performance. The gas audits show an improved position which are now back into the green category. Whilst there have been some issues with the quality audits this is due to newly recruited staff bedding into their roles, knowing what a reportable item is, (MD) noted there is genuinely no issues with the quality output from APS. Damp, mould and condensation on demand cases for January and February 2024 stood at 194 cases, this has reduced to 95 for same period. Retrofitting is progressing well.</p> <p>24.340 (KS) referenced the anomaly on percentages on page 176, (MD) to review. ACTION POINT.</p>	MD

24.341 (MC) provided an update on the paper, noting a good performance on income collection, year to date there have been 5 evictions. Affordability KPI is showing as red, data shows 467 offers, analysis shows 12 have been refused, due to affordability. (MC) referenced the research work planned to look at rents across peer groups. Estate inspections are down, due to absenteeism within the team. The Service Improvement Complaints indicator is currently showing in red. Michelle explained, that in a recent session with Housemark they highlighted that while it's important to log and record complaints accurately, the focus should not be on the volume of complaints alone but rather on how they are used to inform service improvements. Stage 1 complaints are green, stage 2 complaints have dipped, working with the wider teams to address this. Data quality is showing as red but has improved from prior month, narrative around this includes out of date title deeds, out of date information including telephone numbers and late terminations.

24.342 (CG) referenced the 'entitled to tool' regarding rent arrangements and the effects this has had. (MC) advised the unintended consequence of using the tool is the impact it has had on the financial inclusion service, as the neighbourhood officer is carrying out the work at the beginning of a tenancy, there has been a positive impact on customer arrears which are falling. Additional work will be redirected to the financial inclusion team and they will also pick up work arising from the disability and welfare reform.

24.343 The Board:

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

5.2 Financial Performance Update

24.344 Report taken as read based on the January figure. (RC) advised that the operating margin for February shows 16.4%.

24.345 (DR) queried the yearly forecast on income, cost and margin and whether the figures included everything in the service charge costs. (RC) noted there may be some service deficit in there and would recheck and advise. **ACTION POINT – RC to confirm treatment of service charge deficit**

24.346 The Board:

- **noted the overall assessment of financial performance to P10.**
- **noted the Development/Capital and Treasury updates for Q3.**

6 Items to Note

6.1 CEX Report

24.347 Paper taken as read.

24.348 The Board noted the report.

6.2 Financial Standing Orders Update

24.349 (RC) advised that due to recent changes with the implementation of the new Invoice Management System, the updated delegate authorities have been approved by SMT. The appendix is brought to the board for noting.

RC

<p>24.350 The Board noted the changes to the Delegated Authority limits.</p> <p>6.3 Annual EDI report 24.351 Paper taken as read.</p> <p>24.352 The Board noted the report.</p> <p>7 Board Minutes</p> <p>7.1 Minutes of the Board Meeting held on 19th November 2024 24.353 Approved. (DR) referenced item 24.212 of the minutes did not capture the question posed. (DR) to email content for inclusion within the minutes to (MH). ACTION POINT</p> <p>8. Matters Arising</p> <p>8.1 24.354 These were noted.</p> <p>9 Minutes for Information</p> <p>9.1 Draft LFPS Minutes 19th November 2024. 24.355 These were noted</p> <p>9.2 Draft Customer Experience Committee Minutes 4th February 2025. 24.356 These were noted.</p> <p>9.3 Draft Audit & Risk Committee Minutes 21st January. 24.357 These were noted.</p> <p>9.4 Pension minute (9.4a) and notes (9.4b) from the Board Awayday 24/25 January 2025. 24.358 Pension minute was approved and notes from the Board Away day noted.</p> <p>9.5 Draft Health and Safety Committee Minutes 27th January 2025. 24.359 These were noted.</p> <p>9.6 Draft Governance and Remuneration Minutes 4th March 2025 – issued separately. 24.360 These were noted.</p> <p>10. Date of next Board meeting 5pm on 27th May 2025 at Weetwood Hall.</p>	<p>MH</p>
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