

LEEDS FEDERATED HOUSING ASSOCIATION

MINUTES OF THE BOARD OF MANAGEMENT MEETING held on 16 July 2024,
Weetwood Hall, Leeds

Present: Kim Brear (KB) Board Member (Chair)
Jaedon Green (JG) Board Member
Dedra Otchere-Darko (DO) Board Member
Innocent Moyo (IM) Board Member
Claire Stone (CS) Board Member
Naseer Ahmed (NA) Board Member
Chris Simpson (CSi) Board Member
Charlotte Green (CG) Board Member
David Royston (DR) Cooptee

In attendance: Matthew Walker (MW) Chief Executive
Jason Ridley (JR) Director of Finance and IT
Michelle Collins (MC) Director of Customer Service
Mark Donnachie (MD) Director of Assets and Development
Rebecca Cook (RC) Head of Finance and Procurement
Megan Henderson (MH) Head of Corporate Services (minutes)

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| <p>1 Conflicts of Interest
24.065 There were no additional Conflicts of Interest raised. It was noted that the paper on succession did impact on some members but there was no need to leave the meeting.</p> <p>2 Apologies
24.066 Apologies were received from Steve Dungworth and Jaedon Green who arrived late.</p> <p>3 Risk Review of Board Pack
24.067 JR presented the report and confirmed there were no new risks to report, information had been updated to reflect the new Government and that the full policy and framework was on the agenda for consideration.</p> <p>24.068 MW referenced a question from JG about the scale of change with the new Government and whether this warranted a review of the risk. MW advised that this was hard to quantify as there is still more detail to come through but the high level view is that there will be more impact from what they are intimating they will do, but it not have as negative impact as some of the changes muted by the previous government. Overall, the risk is deemed therefore to be the same.</p> <p>24.069 Board discussed how HA's will need to consider where they sit alongside LA's and look at this as a potential opportunity.</p> <p>24.070 NA asked if sustainability and development were on the new agenda. MW confirmed Housing is on agenda and referenced the briefing that had been circulated to members.</p> | |
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24.071 KB suggested a session ahead of strategy session would be useful to consider the impact of changes and to input and influence any policy or discussion more nationally. MW confirmed that Catherine Ryder has been invited to facilitate a discussion on what our role will be in wider delivery. This is likely to happen in October.

24.072 DR referenced more context being outlined at the Kings Speech and the spending review announcements in October /November which will also hopefully clarify any position on funding.

24.073 Board confirmed that two strategic risks currently exceed the Board's stated risk appetite for the relevant activities as detailed in section 2 and noted the change to the 'Current' score for Risk 12 as detailed in the paper.

4 Items for Decision

4.1 Annual Report to Board regarding Internal Controls and Risk Management.

24.074 MH presented the paper. DR advised it was a thorough report.

24.075 NA asked if the Challenger Panel could be considered an effective control if there were only 3. MC confirmed recruitment plans and overall rebrand to the Customer Voice Panel which is hoped to increase numbers. It was confirmed that there was a work plan and that more detail is reported to the Customer Experience Committee.

24.076 CSi asked if there was a programme for reviewing internal controls? JR confirmed Risk Management was reviewed in 23/24 and regular cycle of key risk areas. JR outlined the process taken with Internal Audit to annually agree a plan based on what they are seeing and what is coming through. DR commented that 46 days audit over 7 areas is substantial.

24.077 KB acknowledged that this was a live issue with The Regulator and the importance for Board to have oversight on risks and controls. MW referenced the meeting previously with Internal Audit to consider risks potentially emerging.

24.078 AGREED ACTION: For the 2024/25 report

- **Broaden the report to reference customer challenge rather than Challenger Panel.**
- **Add in numbers (data and engagement) with Your Voice in future to give rounded picture.**
- **Add TSM's reviews and Housing Ombudsman self assessment.**
- **Add in Board review of strategic risks and review of Sector Risk Profile.**
- **Repeat and reference the meeting with Internal Audit to consider risks potentially emerging.**

24.079 Board considered the evidence and confirmed that acceptable levels of assurance exist over the systems of internal

<p>control within Leeds Federated to form the basis of the annual statement within the annual Financial Statements.</p> <p>24.080 LFHA meeting formally closed and KB formally opened the LFPS AGM.</p> <p>4.2 Leeds Federated Property Services AGM</p> <p>24.081 RC presented the report and recommendations noting the extension of the BDO contract for the financial year 2024/25.</p> <p>24.082 Board</p> <ul style="list-style-type: none"> • Received the Annual Report for the Year Ended 31 March 2024 • Noted that the external audit contract will continue for the 24/25 Financial Year as approved at the 26 September 2023 LFHA Board (Item 4.2 Board ratification of Audit & Risk Committee Decision) <p>24.083 KB closed the LFPS AGM and formally reopened the LFHA meeting.</p> <p>4.3 Report and Financial Statements for year ended 31 March 2024</p> <p>24.084 RC presented the report and recommendations to Board highlighting the following:</p> <ul style="list-style-type: none"> • The auditors are giving an unmodified opinion on the group • There have been no identified material misstatements in the statutory other information relating to the strategic report • There are no matters disclosed that the auditors wish to draw Board's attention to by way of emphasis of matter. • There was one recommendation to the journal process which is considered a way to improve. It was noted that controls are proportionate to the size of the organisation. <p>24.085 DR confirmed that he had gone through the accounts with RC and JR and was content issues had been responded to.</p> <p>24.086 CS queried the table on P92 and number of 'red' measures. It was noted that this did not resonate with performance seen in the year but was an honest depiction.</p> <p>24.087 AGREED ACTION. JR / RC to include additional information next year in relation to reported measures which are noted to dip in Q4.</p> <p>24.088 Board:</p> <ul style="list-style-type: none"> • Approved and signed the Report and Financial Statements for the year ended 31 March 2024 ready for adoption at the AGM • Approved and signed the Letter of Representation • Noted the final external auditors Completion Report <p>4.4 Risk Management Framework Policy and Risk Register Review.</p>	<p>JR/RC</p>
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<p>24.089 JR presented the report and referenced the discussion at item 3 as part of the considerations for this item, the session with DTP in May 2022 and the upcoming session planned for November 2024.</p> <p>24.090 MW referenced a PlaceShapers Chairs and Chief Executives leaders meeting he had attended where one Chair's view was that reducing surpluses was something they felt was necessary. This was the right thing in relation to delivery of services for customers but there was some discussion whether the levels of surplus were right or whether even more should be considered with reduced margins. It was noted that this will become an increasingly discussed topic. DR added that funders and The Regulator will also have their views.</p> <p>24.091 KB suggested this be picked up at the November session which could also inform the business plan process. Andy Roskell will be leading the session and it's hoped the Sector Risk Profile will be published by this point. AGREED ACTION: JR to include discussion regarding Margin % and Risk regarding abrupt changes in Government policy to the Workshop before board in November.</p> <p>24.092 Board confirmed there were no concerns raised from the paper at this point. It was noted that the risk environment has changed (anticipated positively) and that risk is considered routinely by management and board as a live matter.</p> <p>24.093 Board reviewed and approved the Risk Management Framework Policy with no changes to the Board's risk appetite as well as reviewing and approving the Risk Register and Resilience Plan.</p>	<p>JR</p>
<p>4.5 Health and Safety Policy and Health and Safety Self Assessment</p> <p>24.094 MH presented the report highlighting the purpose to give oversight of operations and processes in place. MH confirmed the self assessment had been updated following the actions last year which were tracked through the rolling matters arising.</p> <p>24.095 DR asked if the policy is reviewed by our insurance broker or other third parties.</p> <p>24.096 AGREED ACTION: Follow up with insurance company to review policy.</p> <p>24.097 CSi linked Grenfell and the transparency and accountability regulation and queried complaints re: H&S from customers and asked if this can be explored and more assurance given on how we pick up feedback from complaints. AGREED ACTION: to bring a paragraph as a matter arising and include more information on complaints and customer perspective in future self assessments.</p> <p>24.098 DOK did call re: H&S issue and did get someone out quickly to review. MC confirmed that the TSM's do include consideration if home and community is safe. AGREED ACTION: Link TSM information into the self assessment next time.</p>	<p>MH/RC</p> <p>MH/MC</p> <p>MH/MC</p>

	<p>24.111 DR queried how shareholders were involved in the organisation. AGREED ACTION: MW agreed to produce a short briefing on the matter and send to DR outside the meeting.</p> <p>24.112 Board noted the content of the report and:</p> <ul style="list-style-type: none"> • Approved the proposed changed to the Rules by passing the resolution set out in Appendix 1 • Approved the resolution to be included in the notice calling the AGM and to be sent to LFHA Shareholders as set out in Appendix 2 • Authorised officers to commence the work, including obtaining consents (if necessary) from any third parties (e.g. funders) to amend the rules <p>4.9 GDPR Policy</p> <p>24.113 MC presented the report which was presented in the new Tone of Voice style.</p> <p>24.114 CSi said it was good to see a specialist.</p> <p>24.115 NA queried the escalation process for reporting if the DPO is on leave. MC confirmed the process and that 2 breaches had been reported within the 72 hours in last year.</p> <p>24.116 CSi queried if there was support from an external source. MH confirmed there is a DPO group.</p> <p>24.117 CSi asked about the most common near miss reasons. MC confirmed the GDPR group meets every 6 weeks and looks at trends and then agrees comms to colleagues where trends are seen. MC confirmed the facility to hold an email for 30 minutes to customers so able to retract. MH also confirmed that trend reasons inform the content of refresher training.</p> <p>24.118 JR raised query if any data was processed in USA. JR confirmed that all data was processed in the UK.</p> <p>24.119 IM asked for assurance that colleagues get regular training. MH confirmed that all new starters are asked to complete and module and there is an annual refresher which is linked to the trends that come through the GDPR group.</p> <p>24.120 Board approved the GDPR Policy.</p> <p>5 Performance</p> <p>5.1 Performance Update</p> <p>24.121 MC/MD both presented the report for their respective areas. It was noted that quarter end information was not available but monthly performance information looked positive. Performance highlighted included:</p> <ul style="list-style-type: none"> • The push on Cyber is seeing positive improvements. 	<p>MW</p>
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<ul style="list-style-type: none"> • All turnover is currently included in reported information but this is split out for Housemark. • Incentives and consideration for moving to rent for unsold properties is being taken forward. IMEA (agent) is being used to support this. • Arrears performance is the best seen in 12 months with a focus on quality rather than quantity and use of the Entitle2 tool • A new measure on wellbeing satisfaction following FI intervention is in place • 36 complaints have been received in the last month, all responses at all stages have been met. <p>24.122 DR asked about the IT system availability outage 150 minutes in May in data centre and if there was any concern over back ups? AGREED ACTION: JR will check with LB and send summary.</p> <p>24.123 CSi said it was good to see first quartile positions and continued desire to change and improve how we work and get the right outcomes.</p> <p>24.124 CG asked if FI surveys will they be shared with customers to build engagement with others? MC confirmed that stories are being shared when possible and when get consent.</p> <p>24.125 MC added the customer information on the TSM's will go out with customer e-news this week. MC and MH confirmed that we would be looking at comms effectiveness with CT.</p> <p>24.126 Board noted the report.</p> <p>5.2 Financial Performance Report</p> <p>24.127 RC note the results to 31 May. RC confirmed she had met with DR to review reporting and that a refreshed report will be developed over coming months.</p> <p>24.128 RC highlighted that June performance was still draft but some key information included:</p> <ul style="list-style-type: none"> • Operating margin of 20.8% • Operating surplus excluding first tranche sales is 8% ahead of budget • A saving of £225k on net interest as not needed to utilise as much RCF as anticipated <p>24.129 KB June perspective helpful.</p> <p>24.130 DR queried the next scheduled draw down. RC confirmed that £4m had been drawn in June but nothing further planned till the loan with NatWest is agreed. JR confirmed that the NatWest security charge had been completed and that funds be drawn down to down the Santander RCF.</p> <p>24.131 JG Great start to the year. JG queried the potential trigger for unsold properties. MD referenced the discussion in item 5.1. Looking at rental demand for the area and at what point start the lose money.</p>	<p>JR</p>
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DR queried if there should there be a policy / criteria or trigger point for this? MD advised that we have an internal KPI which reports at 5 months and that this is reviewed by the Leadership Team each month so there is an awareness before the requirement to report on NROSH. Reasons for why vary and have been resolved, most have not been property related but Tockwith has been different.

24.132 MC confirmed that there had been 4 on site moved to intermediate rent. JG appreciated that if the team saw a deterioration in the market the decision may be made sooner.

24.133 Board noted the financial performance report.

6 To Note

6.1 Chief Executive Report

24.134 DR noted the submission to funders after the weekend. RC confirmed this was not deliberate and the standard should be pre - weekend where dates are weekend.

24.135 KB thanks to MW for his work, largely through PlaceShapers, to ensure we are up to date with where thinking is on the national housing agenda.

24.136 The Board noted the Chief Executive Report and that attached appendices.

6.2 Report from the Chair of Audit and Risk Committee.

24.137 JG Confirmed that ARC have reviewed and discharged TOR. In good hands moving forward and handover meeting planned next week.

24.138 Board noted the report from the Chair of Audit and Risk Committee to the Board.

6.3 Rationalisation of Properties by Disposal 2023/24

24.139 MD presented the report outlining that 18/25 properties had been disposed using the 'passive route' and that market value on all properties had been achieved.

24.140 JG said it was good to see use of framework and be considered as BAU reducing Board involvement. JG raised the potential to move to Shared Ownership rather than sale which would retain a residual income stream.

24.141 Board queried the potential risk level for the number of properties outstanding. MD confirmed that work would be undertaken over the summer to update the information held which may change the list position. MW added that further clarity around the Government approach to NZC and EPC may also impact on any approach taken.

24.142 MC outlined there would be an increased reputational risk if a more aggressive approach to moving was taken. KB confirmed there needed to be a strategic approach and consideration for neighbourhoods and regeneration. There is a balance to maintain and it's great to see opportunities being taken when they arise.

	<p>24.143 Board noted the disposals that had taken place in the financial year 2023/24 under the advance authority previously granted.</p>	
7	Board Minutes	
7.1	<p>24.144 Minutes of the Board Meeting held on the 11 June 2024 were approved as an accurate record with the exception of CS being show as attending and apologies. AGREED ACTION: MH to update the final minutes to reflect CS as apologies.</p>	MH
8	Matters Arising	
8.1	<p>Matters Arising from 11 June 2024 24.145 These were noted.</p>	
8.2	<p>Matters Arising Board Rolling Agenda 2024/25 24.146 These were noted.</p>	
9	Minutes for Information	
9.1	<p>Draft Audit and Risk Committee Minutes 2 July 2024 24.147 These were noted.</p>	
10	<p>Any Other Business 24.148 Final meeting for JG and CS. Thank you to both for contributions.</p>	
11	<p>Date of next meetings: AGM 5 September 2024, 6pm, Zoom. Board Meeting: 1 October 2024, 5pm, Weetwood Hall. Risk Workshop: 19 November 2024, 2-4pm, Weetwood Hall Board Meeting: 19 November 2024, 5pm, Weetwood Hall</p>	