

Board meeting minutes

Minutes of the meeting of the Board of Keniston Housing Association Limited held on Thursday 12th May 2016 at 6.15 p.m. at The Conference Room, 13 Artington Close, Farnborough, Kent, BR6 7UL

Board members in attendance Simone Bailey
Shehla Husain (Co-Vice Chair)
Barry Luhmann
Julian Miles (Chair)
Anthony Mills
Peter Voisey (Co-Vice Chair)

Also present Vivienne Astall, Housing Services Director
Tony Coward, Property Services Director
Nevil Osborne, Chief Executive
Andrew Shiatis, Finance Director and Company Secretary

Agenda Item 1 Apologies for absence, declaration of interest and Health and Safety items to note

Minute 167/16 Apologies for absence were received from Jane Clark, Seema Jassi and Tracy Day.

Minute 168/16 After enquiry no one declared any interests.

Julian Miles advised the Board that Sudhin Chatterji had tendered his resignation from the Board and would not be attending any further meetings. The Board thanked Sudhin Chatterji for his valuable contribution and input into the Association and wished him the best for future.

There were no Health and Safety items to note.

Agenda item 2 Minutes of the Board meeting held 24 March 2016 Matters arising and actions

Minute 169/16 The minutes were approved.

Matters Arising

Minute 170/16 Matters arising as shown in the tracker were noted.

Minute 171/16 Minute 352/15 – Nevil Osborne advised that he would be preparing a paper on the Association's strengths to bring to and benefits that could result from a merger to the June 2016 Board meeting.

Minute 172/16 Minute 133/16 – Simone Bailey clarified that this bonus pay to leavers was meant to only apply to those retiring or leaving due to ill health. Nevil Osborne advised that this would be reviewed internally.

Minute 173/16 Minute 139/16 – Nevil Osborne advised that the Board declaration form had been amended to cover Board training received outside the organisation.

Minute 84/6 – It was noted that the action point with regards to running the

revised Risk Management pilot should read September 2016 rather than September 2017.

**Agenda item 3 Update on recruitment of Chief Executive
Chief executive contract of employment**

Minute 174/16 Julian Miles advised that Jonathan Card had been offered the role of Chief Executive and that this had been accepted. The start date will be the 25th August 2016. In terms of hand over it was noted that the new Chief Executive will come in to the office for one day a week during July.

Julian Miles expressed his thanks to all those involved in the recent recruitment process, advising that the input and different perspectives received were extremely helpfully in the decision making process.

Nevil Osborne advised that the contract of employment was currently with solicitors. **Action: Peter Voisey to review the proposed Chief executive's employment contract before it is issued.**

Agenda item 4 Annual Reviews:

Treasury Report and Treasury Management Policy

Minute 175/16 Andrew Shiatis presented the Treasury report to the Board. The report included a review of the year end cash position, investments, outstanding loans (including principal and interest payments made), investment income and the security position of the Association. It was confirmed that all covenants had been met throughout the year.

It was noted that the Dexia Loan had been fixed at a rate of 3.45% for the remaining term of the loan, which was approximately 15 years.

Andrew Shiatis further clarified that although the Orchard Brook loan carried a very high rate of interest, the costs of repaying the loan early were prohibitive and did not give any advantage to early repayment.

Minute 176/16 Peter Voisey asked whether the loans were currently over securitised and whether any of the properties secured under the two loans could be released. Andrew Shiatis advised that although the current security greatly exceeded the remaining loan balances, there were still some 59.3% of its properties that remained unsecured and that removing properties from the security would incur fees. As such it was agreed that there was no immediate need to change the security arrangements.

Minute 177/16 Andrew Shiatis asked the Board to consider a change to the Treasury Management Policy in order to help increase investment income. He asked the Board to consider allowing the Association to place surplus funds of up to £750,000 on a one year deposit; the maximum under the current treasury policy was six months. He advised that this would only be done where there was scope to do so and that the Association currently had some £3.5m of funds most of which was unlikely to be utilised over the coming year. The Board agreed to this amendment.

Minute 178/16 Andrew Shiatis presented the updated Treasury Management Policy to the

Board, highlighting the changes which had been made, the main change being the inclusion of a treasury management definition.

Subject to the amendment described above the Treasury Management Policy was approved.

Minute 179/16 **Resident Involvement Impact Statement**

Vivienne Astall presented the Resident Involvement Impact Statement to the Board. A particular high during the year was the development of the Darrick Wood Community group which had now become largely self-sufficient in terms of raising money and organising activities. Vivienne Astall also commented that in hindsight she felt Keniston was perhaps not being proactive enough in encouraging input from the residents' panels; in order to create better dialogue this would be a key focus for the coming year.

Minute 180/16 Shehla Husain asked what Keniston did with regards concerns that had been raised by the resident panel. Vivienne Astall advised that comments are anonymised, summarised and fed back to residents. **Action: Vivienne Astall to document where resident suggestions and concerns had led to a change in policy.**

Minute 181/16 There was then some discussion on ways to improve dialogue with the resident panel. Anthony Mills felt that Keniston already worked very hard at this. Shehla Husain stated that she felt the impact statement was really good and was worth sharing with residents. **Action: Vivienne Astall to arrange to publish the statement on Keniston's website and provide a summary for the Talkback newsletter.**

Minute 182/16 **Recruitment**
Nevil Osborne advised the Board that other than the Chief Executive position, two other posts had been recruited for towards the end of the financial year: Silver Court Caretaker and Darrick Wood Assistant Gardener. It was noted that recruitment data on the Chief Executive position had not been requested from the recruitment agent and as such this information was missing from the report.

Minute 183/16 **Complaints**
Nevil Osborne highlighted that there had been seven complaints during the year and that this was towards the lower end of the normal range which historically had been between six and twelve. Of these, two went to stage 2 of the complaints procedure compared to five in the previous year.

Agenda item 5 Value for Money Report 2016

Minute 184/16 Nevil Osborne presented the 2016 Value for Money report to the Board, and was keen to get Board members' input into the final document. Nevil Osborne asked the Board whether they felt it covered the right areas and whether it contained the right sort of message. He reminded those present that the Homes and Communities Agency, which regulates housing associations, requires a value for money self-assessment report to be produced annually. The review should be across all areas of the Association's activities, including both operational matters and assets.

Some discussion was had with regards to the Cleaning and Gardening tenders which were carried out during the year, but had actually led to an overall increase in costs. It was noted that this increase followed a clearer definition of the service expected particularly at Lyham Road and Foxley Hall.

Nevil Osborne highlighted the responsive repair costs which had historically been extremely high, but had reduced in recent years. Simone Bailey asked whether the benchmark group would consider separating out responsive repairs in relation to communal areas, so that the Association's benchmarked figure was more comparable to other Associations. Nevil Osborne stated that he had asked this already but had not received much support.

Minute 185/16 Barry Luhmann asked what the driver was for the lower repair costs. Tony Coward suggested that this related not just to the number of repairs but also the knock on effect of an ongoing programme of stock reinvestment, working with contractors to provide good quality work and also the greater scrutiny of costs by the Property Services Team.

Minute 186/16 It was noted that the Burnhill heating contract had been terminated without penalty after installing eleven out of the thirty-one new heating systems. Shehla Husain asked how long it had taken before the contract had been terminated. Tony Coward advised that the issues had only become apparent after about twelve weeks from the initial installations and that an independent body had now been employed to help monitor and analyse the new heating system before any further work recommenced. It was noted that Keniston had agreed to reinstate the old heating systems for two of its tenants; ideally we would want to monitor tenant's energy usage (where new heating has been installed) through the next winter so that comparative information can be presented to residents.

Minute 187/16 Shehla Husain suggested that cost data and number of residents attending should be added to the section of the report about residents' fun-days.

Simone Bailey asked whether a staff satisfaction survey had been conducted recently. Nevil Osborne confirmed that one had not been done for a long time and that he would look into this. **Action: Nevil Osborne to consider conducting a staff satisfaction survey.**

Simone Bailey asked whether the social value return on assets section could include comparatives to the previous year.

Minute 188/16 After further discussion about the content and format it was agreed that the report seemed to cover the right areas and had the right sort of message.

Agenda Item 6 Policy Review – Housing Management

Minute 189/16 Vivienne Astall presented the updated policy to the Board highlighting that the changes primarily reflected better wording and a slight shift in emphasis, rather than any significant change in policy.

Some discussion was had as to whether Keniston should prioritise particular types of under occupiers where there were bedroom tax implications and

issues with affordability. **Action: Vivienne Astall to reconsider the priority of under occupiers for transfers.**

Shehla Husain advised that the Housing and Regeneration Act 2008 should also be referred to within the policy.

Julian Miles asked how Keniston dealt with discretionary succession. Vivienne Astall stated that certain, very specific criteria had to be met first for discretionary succession to be considered.

Subject to agreed changes the Housing Management policy was approved by the Board.

Agenda item 7 Chief Executive's report

Minute 190/16 Nevil Osborne presented his report to the Board. He updated them on the progress of various current development opportunities. He highlighted that Keniston is in the process of trying to deal with planning issues surrounding the proposed Perryfield extension, particularly in relation to the proximity this would have to the main road and that other options were also being considered. Planning consultants have now been appointed for Hornsey Road and that this was progressing at a relatively slow pace. He also stated that Orbit had presented three potential development sites and that Keniston had expressed an interest in two of these.

Nevil Osborne advised the Board that Keniston had been invited to express an interest in purchasing eight sheltered and thirty-two general needs units from another small housing association. He advised the Board that he had approached Campbell Tickell in order to help refine our response. It was noted that the deadline for bidding was the end of July 2016. After some discussion, the Board agreed to proceed with the expression of interest.

Agenda item 8 Finance Director's report

Minute 191/16 Andrew Shiatis presented this report to the Board. He advised the Board that the reported headline results did not include FRS102 adjustments and as such were comparable to the budget and last year's figures; the figures are subject to external audit which is due to start on 16th May 2016.

Andrew Shiatis highlighted the strong surplus achieved in the year of £993,000 and the cash balance which had increased slightly to £3,391,359.

There was a year on year increase in operating costs of £181,919 or 5.4%, stating that this was primarily due to the higher amount of planned stock reinvestment work which had been planned and carried out during the year.

Andrew Shiatis highlighted that there had been a general strengthening in Keniston's gearing and interest cover ratios; the Association's theoretical borrowing capacity was currently about £11m, the interest cover being the limiting factor. With the four years of government imposed rent reductions he advised the Board that this capacity would reduce to approximately £6m.

- Minute 192/16 Some discussion was had as to whether Keniston should revise its Internally Set Threshold for interest cover from 1.5 to 1.25; this would theoretically increase Keniston's capacity to borrow by about £2m, although there would also be a slight increase in risk to the Association if it were to borrow up to this new limit. It was agreed to leave the threshold at 1.5 for now but to reconsider if the borrowing need were to arise.
- Minute 193/16 Andrew Shiatis highlighted the adjustments which would need to be made under FRS 102 and that these would be reflected in this year's financial statements. He pointed out the significant volatility in Keniston's results going forward under FRS 102, particular in respect to pension adjustments which in the current year would reduce surpluses by £232,000.
- Minute 194/16 Peter Voisey asked whether any progress had been made with respect to the need for Keniston to have an audit committee. Nevil Osborne confirmed that Jackie Oakes from our auditors Smith and Williamson had previously indicated that this might not apply to an organisation such as Keniston but that she would review this further. It was noted that this was still being considered.

Agenda item 9 Housing Services Director's Report

- Minute 195/16 Vivienne Astall presented her report to the Board. She highlighted that arrears were slightly higher than last year but were generally steady despite the current economic climate. Additionally consideration is being given to our policy on housing single people under the age of thirty-five in light of the new shared room rate housing benefit cap which is due to take effect from 2018; this will potentially mean that housing benefit will not cover the housing costs of some of our flats.

The Green Doctor visits in Islington were proving popular and that a local training venue had been secured close to our Merrow Street site.

- Minute 196/16 A request for authorisation to evict was handed out to those present at the meeting. The particular case was discussed in detail by the Board. Vivienne Astall advised the Board that she had exhausted all other options and that she felt that this was now the only way left available to her team to press for repayment of the rent arrears.

The Board approved the eviction of tenant number 802043.

Agenda item 10 Property Services Director's Report

- Minute 197/16 Tony Coward presented his report to the Board, highlighting the tender process which was undertaken for the Foxley Hall Leaseholder roof works. He also advised the Board that works had been suspended in relation to the heating works at Burnhill House and that the new heating systems were currently being monitored and assessed.

Tony Coward was pleased to report the results of stock reinvestment post contract resident satisfaction especially in relation to the Sunningdale Court Kitchens and the new Tarling Lift.

Simone Bailey asked about the near accident that had been commented on by a resident at Nethewode Court. Tony Coward stated that this had been noted and was being followed up with the contractor.

Tony Coward also advised the Board that in conjunction with Vivienne Astall, they were reviewing the voids process in order to help bring costs and void periods down.

It was noted that "drop boxes" had been set up at Darrick Wood which allowed contractors to keep a stock of replacement parts on site and as such this should help improve the 1st time repairs figure.

Anthony Mills suggested that a summary of the resident satisfaction results could be published on Keniston's website. **Action: add post contract resident satisfaction survey results to the website.**

Agenda item 11 Performance dashboard

Minute 198/16 Andrew Shiatis presented the performance dashboard and this was discussed by the Board.

Simone Bailey asked whether the working days lost due to sickness could be run without the long term sickness to provide an underlying figure.

Julian Miles asked whether the dashboard could also record compliance in electrical inspections and asbestos management.

Agenda item 12 Company Seals

Minute 199/16 There were no contracts requiring a company seal.

Agenda item 13 Any Other Business

Minute 200/16 There were no further items to discuss.

Agenda item 14 Date of Next Meeting

Minute 201/16 The next Board meeting will be held on Thursday 16 June 2016 starting at 6.15 p.m.

Minute 202/16 The meeting ended at 9:00pm