

# Board meeting minutes

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## **Minutes of the meeting of the Board of Keniston Housing Association Limited**

**held on Thursday 22<sup>nd</sup> March 2018 at 6.15 p.m.at**

**The Conference Room, 13 Artington Close, Farnborough, Kent, BR6 7UL**

**Board members in attendance** Shehla Husain (Co-Vice-Chair)  
Seema Jassi  
Barry Luhmann  
Julian Miles (Chair)  
Sheila Sackey  
Peter Voisey (Co-Vice-Chair) – via telephone  
Lucy Worrall

**Also present** Jonathan Card (Chief Executive)  
Andrew Shiatas (Finance Director and Company Secretary)  
Vivienne Astall (Housing Services Director)  
Tony Coward (Property Services Director)  
Tracy Day (Minute Secretary)

### **Agenda Item 1 Apologies for absence, Declaration of interest and Health and Safety items to note**

Minute 91/18 Apologies for absence were received from Simone Bailey.

Minute 92/18 It was noted that Peter Voisey could not attend the meeting but had asked to dial in via a conference call. He advised that he could hear most people clearly and would give further feedback after the meeting.

Minute 93/18 After enquiry there were no declarations of interest.

Minute 94/18 Health & Safety – there were no matters to note.

### **Agenda item 2 Minutes of the:**

#### **Special General Meeting held on 25 January 2018**

Minute 95/18 The Board approved the minutes from the Special General Meeting held on 25 January 2018.

#### **Board meeting held on 25 January 2018**

Minute 96/18 Shehla Husain asked for minute 12/18 of the Board meeting held on 25 January 2018 to be amended to reflect that her view that she felt Keniston should be taking more proactive measures in installing a sprinkler system at Burnhill House. Shehla Husain also asked for minute 14/18 to be amended to reflect that she wanted the full version of the 2018-22 strategic plan put on Keniston's website. With these amendments the Board approved the minutes of the meeting held on 25 January 2018.

Minute 97/18 **Audit and Risk Committee held 22 February 2018 (including agreed Internal Audit plan 2018/19 and review of risk register)**

Minute 98/18 The minutes for the Audit and Risk committee which was held on 22 February were discussed. Seema Jassi asked for clarification on minute 71/18 regarding DBS checks to be carried out on contractors. Vivienne

Astall advised that Keniston had looked into this further and had confirmed with the internal auditors that contractors should have their own policy regarding staff and DBS checks and that Keniston should keep a copy of these policies on file. It was noted however that it was not Keniston's responsibility to ensure that contractors were complying with their own policies. The minutes were approved.

#### **Matters Arising and Actions**

Minute 99/18 Minute 56/18 – Andrew Shiatis confirmed that he would bring the Internal Auditor menu of potential audit areas, to the next Audit and Risk Committee meeting.

Minute 14/18 – Vivienne Astall advised that she would report back on the responses from the resident panel to the May meeting. Vivienne Astall gave a brief summary of the responses.

The remaining items were taken as read.

#### **Agenda item 3 Chief Executive's Report – Including updates on strategy, governance, delegated authorities, development and properties.**

Minute 100/18 Jonathan Card presented his report to the Board. He advised that he had meet with both Bexley and Bromley councils regarding Keniston's development strategy and potential programme. Bexley Council were very happy to work with Keniston. Bromley had a different set up; they advised that it might be possible to add Keniston onto the preferred partner list. They were also very positive regarding infill sites at the Darrick Wood Estate.

Minute 101/18 Lambeth stock transfer – Jonathan Card confirmed that this opportunity was still live and progressing slowly. Lambeth had now confirmed timescales for the stock transfer and Keniston had asked for further clarification on this and the bidding process.

Minute 102/18 Hornsey Road – Jonathan Card advised that he was meeting with the prospective new freeholder next week to discuss potential plans and ideas for the site including the car park area. **Action: Jonathan Card to explore options for Keniston's leased car parking spaces at Hornsey including disposal.**

Minute 103/18 Elliott's Row – Jonathan Card confirmed that Keniston now had legal possession of Flat 3 and that the plan was to sell the lease on the property through auction in May.

Minute 104/18 Darrick Wood Estate – Jonathan Card stated that there had been a good response to the recent survey - c. 30%. The results were still being collated but on first review there appeared to be mixed feedback. To enable effective Board oversight he proposed a working group of Board members to work alongside staff and our development consultant Red Loft. Simone Bailey had already expressed her interest in this, and Sheila Sackey and Lucy Worrell also volunteered. Jonathan Card advised that it was important to keep the dialogue open with residents and the survey had asked residents how they wanted to be communicated with as the project moves forward.

Minute 105/18 Other infill sites – Jonathan Card advised that plans were being looked at

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- for the potential infill development at Keniston's Sunningdale site in Crawley.
- Minute 106/18      3 Nethewode Court – the purchase is now complete and a bid is being made to the GLA for grant.
- Minute 107/18      Governance – Jonathan Card advised that he was looking into acquiring a Board portal system which would make board meeting more efficient, help discussion outside of meetings and save time and costs in preparing for meetings. There are two more systems to be looked at and he would report back with his recommendations. In addition, while the work of the governance working group had now concluded, it was agreed to review implementation of the review outcomes in due course. **Action: Jonathan Card to bring an update on the governance review and actions taken at the November Board away day.**
- Minute 108/18      Jonathan Card confirmed that Channing Hammond had been asked to help with the recruitment of new Board members. Julian Miles, Shehla Husain and Lucy Worrall volunteered to join the interview panel. On completion of the board appraisals, Jonathan Card and Julian Miles would review board learning and development needs and succession planning. **Action: Jonathan Card to prepare a report following the Board appraisals, to include points to be followed up.**
- Minute 109/18      Penge Churches Housing Association ("PCHA") – Jonathan Card advised PCHA had recently written to Keniston giving 6 months' notice to terminate the existing maintenance contract. As such the contract is now due to end in September 2018. It was noted that all Keniston staff had been informed of PCHA's decision and that PCHA had been keen to stress that the decision was not a reflection of any concerns they had over the quality of Keniston's service. It was noted that this would result in an approximate £20,000 loss of income for Keniston in 2018/19. **Action: Jonathan Card to keep the Board informed of the implications and risks of the loss of the contract.**
- Minute 110/18      Delegated Authorities – Jonathan Card advised that there were two proposed amendments to the Delegated Authorities. These were reviewed and agreed by the Board.
- Minute 111/18      Due to the reduced number of Board meetings, Jonathan Card advised that he would be sending monthly updates to Board members in months where there was no board meeting.
- Agenda item 4      Property Stock Reinvestment programme 2018/19**
- Minute 112/18      Tony Coward presented his report to the Board. He corrected an error on the front page of the report: the stock reinvestment cost for the year should have read £900,000 excluding VAT.
- Minute 113/18      He advised that in general the estimated life cycle of components did reflect actual life cycles, although there were some exceptions to this; some boilers are failing after 12/13 years rather than 15 but conversely some kitchens had been lasting up to 17 years rather than 15.
- Minute 114/18      Tony Coward advised that residents are involved in the planning of the new kitchen/bathrooms and appropriate quality fittings are being used. As a

result, more residents are taking ownership of their properties and are tending to look after them more.

Minute 115/18 Tony Coward advised leaseholders were being charged a fair portion of works done which recently included cyclical decorations at both Dromore and Nethewode.

Minute 116/18 It was noted that there was a separate contingency in the stock reinvestment budget specifically to cover the cost of installing a sprinkler system at Burnhill House.

Minute 117/18 The Board approved the Stock Reinvestment Programme for 2018/19.

#### **Agenda item 5 Policy review: Rent policy and plan**

Minute 118/18 Jonathan Card presented the Rent policy and rent plan to the Board for approval, clarifying that the policy had been updated primarily for changes to reflect new regulatory requirements.

Minute 119/18 Lucy Worrall said that she did not think the policy was explicit enough regarding affordable rents/service charges reducing by 1%. **Action: Jonathan Card to include a suitable comment on this.**

Minute 120/18 It was noted that Keniston was not adopting the “pay to stay” policy whereby the Association could charge higher rent to tenants on higher incomes. **Action: Jonathan Card to check with the benchmarking group whether any Housing Association was adopting the “pay to stay” policy.**

#### **Agenda Item 6 Staff pay benchmarking report**

Minute 121/18 Jonathan Card presented the benchmarking report to the Board. He apologised for the late circulation of the papers which was due to some unavoidable and unfortunate circumstances affecting the consultant. He explained that under current policy salaries were benchmarked externally every two years.

Minute 122/18 He summarised the report and asked the Board to comment and agree upon the key questions as summarised in the report.

Minute 123/18 It was agreed that staff would continue to be benchmarked against upper quartile salaries for their roles. It was also agreed that staff would receive a minimum 2% pay award for 2018/19 against either their basic salary or as a non-consolidated payment depending on where their current salary sat in relation to the benchmark figures. It was also agreed that the three yearly organisation wide bonus award system would be maintained for 2018 linked as previously to resident satisfaction, but that the scheme would be reviewed for 2019 onwards. It was agreed that Keniston would introduce a discretionary staff spot bonus system for 2018-19, the details of which would be worked up by the Management Team.

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**Agenda item 7     Annual Budget and Long Term Financial Plan**

**Budget**

- Minute 124/18     Andrew Shiaty presented the Budget to the Board. He advised that in line with previous years, the budget had been prepared from a “zero” basis, together with reference to prior year actual spend; the aim being to help establish a realistic budget upon which to base Keniston’s long term plan.
- Minute 125/18     He stated that the budget showed a slight decrease in surplus compared to forecast for the current year, primarily as a result of a lower than average stock reinvestment spend in the forecast compared to an average spend in the budget and the loss of income as a result of the continuation of the 1% rent reduction. He advised that the budget and the long term plan included planned maintenance at about £1,090,000.
- Minute 126/18     He advised that a 3.0% inflation rate had been used in the budget and that a 3% allowance had been included for salaries. Due to timing, income from PCHA was still included in the budget at £40k, although it had been notified that the contract would cease as of September 2018 and that half this income would therefore be lost this year. The Management Team were confident that they could establish appropriate measures which would mitigate this loss of income in the current year and for future years. It was noted that there was an increase in day to day repairs compared to the forecast for the current year. Andrew Shiaty explained that the costs were in line with the previous five year average spend. It was also noted that an allowance had been made in the budget for the installation of a sprinkler system at Burnhill.
- Minute 127/18     The Board approved the budget for 2018/19.

**Long Term Plan**

- Minute 128/18     Andrew Shiaty presented his report. It was noted that the projections included the audited balance sheet and income and expenditure account for the year to 31 March 2017, the forecast outturn for the year to 31 March 2018 and the budget for the year to 31 March 2019. He advised that this was a 30 year plan and that this maintained a strong focus on stock reinvestment.
- Minute 129/18     Andrew Shiaty stated that the main purposes of the long term plan were to:
- provide assurance to the Board as to the underlying long term financial strength of the Association;
  - to map Keniston’s development aspirations as outlined in its development strategy and gauge its approximate borrowing requirements;
  - check the limitations and resilience of the long term plan to changes in key assumptions and environmental conditions; and
  - highlight the key mitigating actions which would be available to protect viability, were the Association to suffer prolonged exposure to adverse conditions.
- Minute 130/18     It was noted that the potential acquisition of 68 units from Lambeth Council and the refurbishment of 3 units at Hayles Street had been retained within the plan.
- Minute 131/18     Andrew Shiaty talked through the stress testing scenarios he had used on the plan which had been derived from the key business risks from

Keniston's risk register. He explained that the plan being tested included Keniston's development aspirations of 100 units over the next 5 years. It was noted that the plan was particularly susceptible to an increase in interest rates which affected the interest cover. He explained that the sales margin on the sale of shared ownership homes of 27% had been suggested by John Walton from Red Loft, our development partners and that a drop in this sales margin had been tested as part of the stress testing scenarios.

Minute 132/18 Andrew Shiatis talked through the potential remedial actions which might be available to the Association in order to mitigate against any severe combination of adverse circumstances.

Minute 133/18 It was noted that as more information became available on each development project, this would need to be remapped within the Long Term Plan to reassess viability and borrowing requirements.

**Agenda item 8 Directors' and Officers' Liability Insurance,**

Minute 134/18 Andrew Shiatis reported that the National Housing Federation has purchased an Indemnity Policy protecting all Board, staff members and volunteers in member organisations from claims made against them in their capacity as representatives of the Association. It was noted that this year the total cover had been reduced from £45m to £30m, with a maximum individual claim limit of £5m (previously £7.5m).

Minute 135/18 Andrew Shiatis stated that in the previous year the Board had decided not to purchase an additional top up cover which would be available exclusively to the Association. He informed the Board that since writing his report, he now had the prices for this top up insurance, which was priced in relation to the level of additional cover required and also the number of high rise blocks of over 18 metres in height owned by the Association. It was noted that the price had increased significantly from previous years, primarily as a result of the Grenfell fire. He asked the Board to consider whether it required this additional level of insurance cover.

Minute 136/18 The Board agreed that the Association did not need to purchase the additional top-up cover for the coming year.

Minute 137/18 Per the presented report, it was noted that the Director's and Officer's liability cover is conditional upon immediate notice in writing to the insurer of any claim made against any person insured by the policy or of the receipt of notice from any persons of intention to make a claim against any person insured by the policy.

Minute 138/18 Accordingly, it was agreed that if any Board Member (present or absent) or senior executive is aware of any such claim or any such notice of intention or of any circumstances or incident which may give rise to a claim he or she will immediately notify the Secretary of the organisation in order that notice in writing together with all relevant details can be submitted to the insurer. Notification of this minute has been made to all Board Members and senior executives who are required to make necessary disclosure to the Company Secretary.

### **Company Seals**

- Minute 139/18      The Board agreed that the Association's seal would be affixed to the GLA funding contracts under the 2016/21 Affordable Housing Programme.
- Minute 140/18      The Board agreed that the Association's seal would be affixed to the building contract for 44 Elliott's Row.

### **Any other business – Fraud register**

- Minute 141/18      Andrew Shiatis presented the fraud register to the Board which contained one item over the last year in relation to the fraudulent use of Jonathan Card's credit card. It was noted that the NatWest had brought this to the Association's attention due to unusual activity on the card. It was noted that the amounts were small and that the card had quickly been cancelled and replaced. The Fraud register was signed by the Chair on behalf of the board.

### **Agenda item 9      Date of next meetings**

- Minute 142/18      The next Board meeting will be held on Thursday 17<sup>th</sup> May 2018 starting at 6.15pm.
- Minute 143/18      The meeting ended at 9.10pm