

Board meeting minutes

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

held on Thursday 19th July 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)
Barry Luhmann
Julian Miles (Chair)
Sally Rice
Seema Jassi
Peter Voisey (Co-Vice-Chair)

Also present Jonathan Card (Chief Executive)
Andrew Shiatis (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 222/18 Julian Miles welcomed Sally Rice to the meeting. Sally Rice advised the Board that she had until recently worked as the Director of Development at Moat Housing. In the past she had also worked for Bromley Council.

Minute 223/18 Apologies for absence were received from Simone Bailey, Sheila Sackey and Lucy Worrall.

Minute 224/18 After enquiry Jonathan Card advised of a potential declaration of interest with regards the proposed use of Denton Solicitors where Peter Voisey is a practicing partner. **Action: Jonathan Card to clarify whether this would present a conflict of interest.**

Minute 225/18 Health & Safety – there were no matters to note.

Agenda item 2 Ratification of Urgency Panel decisions. - Appointment of Board Member - Purchase of 135 Dromore

Minute 226/18 Jonathan Card presented a summary of the above two urgency panel decisions which had been taken outside of Board meeting, to the Board for ratification. The decisions taken relate to the appointment of Sally Rice to the Board and the purchase of 135 Dromore for £293,500 (including estimated fees and costs of remedial works). It was clarified that in respect to 135 Dromore, where there was a small negative NPV showing in the internal financial evaluation calculation, a breakeven NPV would have been the ideal, but that consideration should be given to the fact that the property is within an existing scheme managed by the association. **Action: Jonathan Card to include NPV tolerance levels and other project assessment criteria in the next review of the development strategy due in the new year.** The Board ratified the two urgent panel decisions.

Agenda item 3 Board Member Re-elections

Minute 227/18 Andrew Shiatis informed the Board as to which members were currently up for re-election having served a three year term since appointment or previous re-election. It was noted that Simone Bailey, Shehla Husain and Peter Voisey were offering themselves for re-election to the Board for a further three years and their re-election was agreed by the Board. Andrew Shiatis confirmed that Julian Miles had offered to continue as Chair until September 2019 at which point he will have served on the Board for the maximum 9 year term as per the Association's Rules. The Board agreed to re-elect Julian Miles as Chair for a further year. As per the terms of reference for the Audit and Risk Committee, the members of the Committee need to be re-elected annually. All current members agreed to offer themselves for re-election and their re-appointment was agreed by the Board.

**Agenda item 4 Minutes of the Board meeting held 17 May 2018.
Minutes of the Audit & Risk Committee held on 9 July 2018
Matters arising and actions**

Minute 228/18 In her absence Lucy Worrall e-mailed Jonathan Card to ask the Board about a point raised in the previous meeting; she believed it was important for Keniston to ensure it has a rigorous performance framework in place.
Action: Jonathan Card to liaise with Lucy Worrall and present a suggested performance framework at the next Board meeting. The Board approved the minutes from the Board meeting held on 17 May 2018.

Minute 229/18 The Board approved the minutes from the Audit & Risk Committee meeting held on 9 July 2018.

Matters Arising and Actions

Minute 230/18 The matters arising and actions were taken as read.

Agenda item 5 Board Approvals arising from Audit & Risk Committee

Minute 231/18 Andrew Shiatis presented this paper to the Board asking for Board approval of the Internal Controls Statement for the year to March 2018, the Financial Statements for the year ended March 2018, the Letter of Representation from the Board to the auditor and the updated Risk Management policy. It was noted that the Audit & Risk Committee had reviewed these items and were recommending them to the Board for approval. It was also noted that the Management Team had signed a reciprocal letter of representation to the Board. The Board approved these items. The Board also approved the re-appointment of Smith & Williamson as the external auditor for the year ending March 2019.

Minute 232/18 It was noted that the Audit & Risk Committee had suggested that more discussion should be had on the risk appetite of the Association at the Board Away Day. It was noted that this had already been noted as an action item in the Matters Arising list.

Minute 233 /18 Andrew Shiatis also present the external auditor's management letter to the board for them to note. He explained that the primary purpose of this document was to highlight any significant matters which the auditor believed

should be notified to the Board and that the document had been presented by the audit partner, Jackie Oakes to the Audit & Risk Committee.

Agenda item 6 Chief Executive Report including development update and governance

- Minute 234/18 Jonathan Card presented his report to the Board. He updated the Board on the two potential stock transfers which Keniston were currently interested in bidding for.
- Minute 235/18 Jonathan Card presented a briefing paper to the Board with regards the Stonewater HA stock transfer. He advised that Keniston, with the aid of external advisors Campbell Tickell, had reviewed the information provided by Stonewater and planned to enter a bid for the 67 Wandsworth units. Jonathan Card advised that he had visited the site with Tony Coward. He also advised that a loan facility would have to be put in place if the bid was successful. The timescale for facilitating a loan can take between 6-9 months and it was noted that initial discussions had already been had with treasury consultants, Ark Consultancy, and that various lenders had already registered an interest to provide the necessary facility. It was also noted that Andrew Shiatis was currently updating the Long Term Plan to include current potential property developments and the two stock transfers and that this will be used in the facility application process.
- Minute 236/18 Jonathan Card asked Sally Rice for her views on the proposed acquisition from Stonewater HA. She said that consideration should be given to the communal heating and also the unit mix. The relatively large number of studio flats was not ideal and could lead to potential problems with lettings and void turnaround times.
- Minute 237/18 It was agreed in principal that a bid of £6.34m could be put in for the Wandsworth scheme.
- Minute 238/18 Hornsey Road – It was noted that the sale of the freehold was going through the legal process.
- Minute 239/18 Elliott's Row – It was noted that Flat 3, 66-65 Elliott's Row was sold through auction at the end of May for £330,000. The refurbishment of the house at no 44 Elliott's Row is progressing well. A site visit to this property will be arranged once the renovation work is complete.
- Minute 240/18 Darrick Wood Estate – the architects have now presented various plans and ideas to the Association, which need to be reviewed and discussed internally. Sally Rice indicated that she would like to join the development working group and it was noted that the next meeting would be in September.
- Minute 241/18 IT enhancements – Jonathan Card advised that a potential Board portal system had been now been identified and he asked for volunteers from the Board to test out the new system at the October meeting. Barry Luhmann and Shehla Husain volunteered for the trial.
- Minute 242/18 Chair succession – It was decided that a more detailed discussion on this would be held at the Board Away Day in November together with other governance matters. It was noted that although historically the Vice Chair typically became the next Chair, there was no formal policy or rule requiring this.

- Minute 243/18 Board Recruitment – Jonathan Card asked the Board for comments regarding the recent round of Board recruitment. It was noted that when Julian Miles stepped down from the Board next September, that this would leave a gap for someone with housing experience.
- Minute 244/18 Jonathan Card advised that the spot bonus system had been awarded to 13 people to date and that this had been received well by most staff members. The staff survey had had a very good response, over 80% of staff responded, the responses will be taken forward and considered as part of the planned staff review and the IT strategy.
- Agenda item 7 Strategic Plan Delivery**
- Minute 245/18 Jonathan Card presented the strategic delivery plan to the Board, he advised that this would be reported on a quarterly basis to show how progress was being made against each particular objective/action. **Action: Jonathan Card to develop more outcome measures for the Strategic Delivery Plan document.**
- Agenda Item 8 Housing Services Director's Report**
- Minute 246/18 Vivienne Astall presented her report to the Board. She advised that Universal Credit full service was due to go live for Bromley on 25th July and that she had attended a Bromley Universal Credit launch event which had proved very useful especially with regards to building up contacts within the borough.
- Minute 247/18 Vivienne Astall advised that a replacement Rent Income Officer had now been successfully recruited and would be starting in September. It was noted that there had been over 280 applicants for the role. Currently there is a temp covering the position.
- Minute 248/18 Vivienne Astall advised that the recent resident engagement feedback exercise had proved very useful.
- Minute 249/18 Vivienne Astall advised that the Association had recently introduced a leaseholder administration charge schedule to be used to when doing work for leaseholders, for example responding to solicitor enquiries.
- Agenda item 9 Property Services Director's Report**
- Minute 250/18 Tony Coward presented his report to the Board. He advised that recent tenders for cyclical redecorations were showing some significant price increases over expectation. The tenders for the Dromore cyclical redecorations were significantly higher than budget and as a result the specification was reviewed in detail in order to reduce the scope of work and the cost for leaseholders.
- Minute 251/18 With regards to the Stock Reinvestment programme for the current year, all had been tendered or were in the process of being tendered. Smoke alarms have now been fitted in the majority of Keniston properties. 360 alarms have been installed so far, all tenants who have requested a smoke alarm have had one fitted. The replacement of these smoke alarms has now been

added to the stock condition database to flag the potential need for replacement in 10 years' time.

Minute 252/18 Performance report – although the total costs of void repairs was significantly down on last year, this stemmed purely from low turnover, and the average cost per property was showing as significantly higher due to poor condition.

Minute 253/18 It was noted that there was one outstanding Health and Safety action in relation to a slip hazard at Tarling Close caused by the freezing of water from overflow pipes at the site. Although some remedial measures had been put in place, Tony Coward was still trying to find a more permanent solution for this.

Agenda item 10 Finance Director's Report

Minute 254/18 Andrew Shiatis presented his report to the Board highlighting the results for the 3 months to 30 June 2018; he explained that the surplus was significantly higher than last year and budget due to a £327,000 profit on the sale of the leasehold at flat 3, 65 Elliott's Row. Although the budget had allowed for the profit on this property sale, the profit had been spread over the whole year. Andrew Shiatis stated that going forward he would adjust the timings of the budget for this. Operating costs were currently lower than budget by circa £122,000 primarily due to savings on day to day repairs, void repairs and cyclical decorations but that it was too early to tell whether these are genuine savings or just timing differences.

Minute 255/18 It was noted that there was now a cash balance of circa £5.7m and that some of this would be used to cover potential stock transfers and development works.

Minute 256/18 It was noted that all financial performance indicators were strong and that all bank covenants have been met throughout the period.

Minute 257/18 With regards treasury management, it was noted that Orchardbrook had recently released the whole of Foxley Hall from their security arrangements at nil cost to the Association, and that 64% of Keniston's properties were now unsecured (previously 59%).

Agenda item 11 Health & Safety – Statement of Intent

Minute 258/18 Tony Coward presented the statement of intent to the Board, advising that there had been no changes since last year. The Board approved the statement of intent.

Agenda item 12 Policies for Approval - Asbestos management policy

Minute 259/18 Tony Coward presented the asbestos management policy to the Board. He explained that following the outcome of a recent compliance audit it had been agreed that an asbestos management policy should be drawn up. Previously this had been included in the Maintenance Policy.

Minute 260/18 Members queried insurances being carried by contractors as there was no reference to this in the policy, Tony Coward advised that contractors' public liability certificates were reviewed annually and would update the policy accordingly. Andrew Shiatis undertook to clarify whether staff were covered by the company insurance policy if they worked outside their contracted hours. [Following the meeting he confirmed with the insurers that staff are covered where employees are acting on behalf of the Association.]

Minute 261/18 Tony Coward advised that all existing tenants had been advised of any asbestos within their homes in writing and that it was good practice to resend this information on a regular basis.

Minute 262/18 The Board approved the policy.

Agenda item 13 Company Seals
- Lease of Flat 3, 65 Elliott's Row
- Share certificate for Sally Rice

Minute 263/18 The Board agreed that the Association's seal would be affixed to the lease of Flat 3, 65 Elliott's Row.

Minute 264/18 The Board agreed that the Association's seal would be affixed to the share certificate for Sally Rice.

Agenda item 14 Any Other Business

Minute 265 /18 Andrew Shiatis asked the Board members if they could review their current profiles which were shown on Keniston's website and provide an update where necessary.

Agenda item 15 Date of next meetings

Minute 266/18 The next Board meeting will be held on Thursday 19th October 2018 starting at 6.15pm. Note there will be no AGM on Thursday 20 September as this is no longer required

Minute 267/18 The meeting ended at 8.30 pm