

Board meeting minutes

Minutes of the meeting of the Board of Keniston Housing Association Limited
held on Thursday 24th January 2019 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)
Sally Rice
Sheila Sackey
Peter Voisey (Co Vice-Chair)
Lucy Worrall

Also present Jonathan Card (Chief Executive)
Andrew Shiatis (Finance & Resources Director and
Company Secretary)
Vivienne Astall (Operations Director)
Tony Coward (Property Services Director)
Tracy Day (Minute Secretary)
Martin Harlow (XPS Group)
Emily Sturgess (XPS Group)

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

Minute 11/19 Julian Miles welcomed Martin Harlow and Emily Sturgess from XPS Group.
Minute 12/19 Apologies for absence were received from Seema Jassi.
Minute 13/19 There were no declarations of interest.
Minute 14/19 Health & Safety – there were no matters to note.

Agenda item 2 Minutes of Board meeting held on 18th October 2018 Matters arising and actions

Minute 15/19 The Board approved the minutes from the Board meeting held on 18th October 2018.

Matters Arising and Actions

Minute 16/19 The matters arising and actions were taken as read and there were no further comments made.

Agenda item 3 Pension Review (Martin Harlow and Emily Sturgess – XPS Group)

Minute 17/19 Martin Harlow and Emily Sturgess from XPS introduced their review of Keniston's pension provision; they circulated two additional summary papers and talked through the current pension arrangements available at Keniston and the impact in terms of costs and risks as a result of the latest SHPS pension valuation from 30 September 2017. During the discussions,

staff members were asked to leave the meeting to avoid potential conflicts of interest whilst the Board considered the matter further.

- Minute 18/19 It was noted that the total SHPS pension deficit has increased from £1.3bn to £1.5bn. There would be an increase in deficit contributions payable from the Association from £107k pa to £142k pa (£35k increase) to make good the funding gap between the value of the scheme and the cost of meeting accrued pension commitments. These payments would end in September 2026. Future service contributions (if the final salary schemes were retained) would also increase. Historically these additional contribution costs had been shared 50:50 with staff (approx. cost of £15k to the Association). Overall the additional costs appeared to be in line with Keniston's expectations per its Long Term Financial Plan.
- Minute 19/19 The staff members returned to the meeting and were advised that a decision had been reached. The Board proposed that the final salary 1/60th and 1/70th Defined Benefit (DB) options should cease for future accrual. Current members would be invited to join the current Defined Contribution (DC) scheme with SHPS at enhanced contribution rates so that Keniston's contribution would increase on an aligned basis to members contributing more, up to a certain cap. It was agreed that the enhanced contributions from Keniston should approximately equate to the additional costs Keniston would have borne under the final salary scheme if the increased contributions had been shared 50:50 with employees. **Action: Andrew Shiatis to calculate the enhanced contribution rates to be offered as per the above and to agree these with Barry Luhmann.**
- Minute 20/19 It was proposed that no change should be made to the pension contributions for the current defined contribution scheme members and that contribution levels to the DC scheme would be reviewed in about a year's time. **Action: Andrew Shiatis to bring this back to the January 2020 Board meeting.**
- Minute 21/19 It was noted that although Keniston did not need to consult with staff, the company would follow best practice and consult with staff regarding these proposed changes.
- Agenda item 4 Chief Executive's Report – including development update, strategy delivery update and performance reporting**
- Minute 22/19 Jonathan Card presented his report to the Board which included details on performance reporting, development update (Noted that Stonewater would be discussed as a separate agenda item), risk appetite (noted that a separate session on this now arranged for 4th February), update on the staffing review, and strategic plan monitoring. With regards the strategic plan monitoring it was agreed that this would be re-visited as part of the strategic planning meeting to be attended by Julian Miles, Lucy Worrell, Sheila Sackey and Jonathan Card, but that comments from the rest of the Board would be welcome outside of this meeting.
- Agenda item 5 Stonewater Update and Approvals**
- Minute 23/19 Jonathan Card presented the Stonewater update to the Board. He advised that Keniston were the preferred bidder, that the Management Team were progressing with the due diligence work and that staff were now aware of the potential stock transfer. Exchange of contracts was currently scheduled for 28th February with the aim of completing by the end of March. The

acquisition will be part funded through the new loan facility currently being arranged with Clydesdale Bank. There will need to be consultation with the affected Stonewater residents who would be transferred across to Keniston. Amongst other items, plans were already being made with regards the logistics around the transfer of property and tenant data and also around the TUPE consultation with existing Stonewater staff to be transferred to Keniston.

Minute 24/19 The stock condition survey had been carried out by FFT and this supports the earlier valuations although some of the assumptions were different as set out in the tabled report. The risk register included in the report was highlighted. It was noted that since writing the report, a draft version of the stock transfer contract had been received by our lawyers. Jonathan Card advised that after the acquisitions and potential infill development at Darrick Wood, Keniston would still be below the 1,000 unit level, the level which would require additional regulatory reporting from the Association.

Minute 25/19 After discussion it was agreed to formally ratify delegated authority to the Urgency Panel which would be responsible for reviewing the results of the due diligence. It was agreed that papers would be circulated to all Board members and that if there were any material changes in the transaction then the whole Board would be consulted.

Minute 26/19 Lucy Worrall asked about the need for a growth strategy which had been mentioned at the Board Away Day. **Action: Jonathan Card to bring this back to the March meeting as part of the review of the Development Strategy.**

Agenda item 6 Loan Facility Update and Approvals

Minute 27/19 Andrew Shiatis presented this report to the Board; he advised that a £10m loan facility was being sort with Clydesdale Bank to provide finance for the proposed stock transfer at Stonewater and other potential developments. He is expecting an almost final version of the loan agreement from the solicitors next week.

Minute 28/19 He advised that Keniston would need to finalise the approval of the loan facility before the next Board meeting in March and as such would need to delegate this approval to a panel of the Board. He proposed that the Audit & Risk Committee members get delegated authority to approve the loan as per the terms of the extract of the approval for of delegated minutes presented to the Board, since the committee was already due to meet in February. This was approved by the Board and the attached extract from the minutes were agreed and signed on behalf of the Board by the Chair.

Minute 29/19 The signed extract of the approval of delegated minutes have been attached to these minutes.

Agenda item 7 Governance Report

Minute 30/19 Jonathan Card presented his report to the Board; he proposed that the current working group overseeing the planned infill at Darrick Wood be widened to create a Development Committee. At present the following Board members sit on the working group: Simone Bailey, Lucy Worrall, Shehla Sackey and Sally Rice. Draft terms and conditions for this

committee were reviewed. The Board were all in agreement with this.

- Minute 31/19 The Board was asked to consider and adopt the draft statement of Board Values which had been incorporated into the Board Terms of Reference following comments made at the Board Away Day. This was agreed. Provisions for the appraisal of the Chief Executive were noted and will be duly arranged.
- Minute 32/19 Board Briefing Updates - The Board confirmed that the appropriateness of the format of the Chief Executive update briefings which were to be circulated to Board members in-between Board meetings.
- Minute 33/19 Board Remuneration options – Jonathan Card summarised the results of the canvassing that had been carried out with the resident panel together with a review of the advantages and disadvantages of remunerating the Chair and other Board members. It was agreed that the incoming Chair would be paid a fee of £5,000 per year. With regard to remuneration for other Board members it was decided that this would be reviewed at a later date. **Action: Jonathan Card to draw up the details of the Chair's remuneration.**
- Minute 34/19 Succession to position of Chair – It was agreed that 3 Board members would sit on the selection panel to help shortlist and interview candidates. It was agreed that external advice and support would be required during this process from a recruitment consultant. It was noted that this process would start in the spring 2019. Jonathan Card advised that it would be good practice for the CEO to sit in on the interview panel but that the current Chair should not be a panel member. He asked for panel member volunteers to e-mail Andrew Shiatis by 31 January 2019. Lucy Worrall expressed an interest in sitting on the panel.
- Agenda Item 8 Finance Director's Report – including Asset & Liability update and IT Road Map**
- Minute 35/19 Andrew Shiatis presented his quarterly report to the Board. This was taken as read. It was agreed that Andrew Shiatis could proceed with the actions set out in the IT Road Map, but that due to time constraints, this would be brought back to the March Board meeting for further discussion. **Action: Andrew Shiatis to bring the IT Road Map back to the March Board meeting.**
- Minute 36/19 Andrew Shiatis highlighted the fact that the Association was still currently in technical breach of its treasury management policy in that it had exceeded the £1.25m limit in its NatWest accounts. Andrew Shiatis clarified that he had reported this to both Julian Miles and Barry Luhmann who had agreed to this based on ensuring that liquid funds would be available for the potential Stonewater transaction and that this would next be reviewed at the end of March.
- Agenda item 9 Operations Director's Report**
- Minute 37/19 Vivienne Astall presented her quarterly report to the Board. This was taken as read. There were no further comments from the Board.

Agenda item 10 Property Service Director's Reports – including Burnhill House update

Minute 38/19 Tony Coward presented his report to the Board, this was taken as read. There were no further comments from the Board.

Agenda item 11 Tenant Satisfaction Survey Report

Minute 39/19 Jonathan Card presented this paper to the Board: due to time constraints it was decided to bring the report back to the March meeting. **Action: Jonathan Card to bring the Tenant Satisfaction Survey report back to the March Board meeting.**

Minute 40/19 The Board was extremely pleased with the results of the survey and would like this to be relayed to the staff.

Agenda item 12 Company Seals

Minute 41/19 There were no company seals.

Agenda item 13 Any Other Business

Minute 42/19 Andrew Shiatis advised that the date for the next Board meeting had now been confirmed as Tuesday 19th March 2019.

Minute 43/19 A discussion was had regarding the date for the next Board Away Day, it was agreed that it would be held on 1st & 2nd November 2019.

Minute 44/19 Jonathan Card asked the Board about the staff bonus. It was agreed that the Board were very happy for staff to be awarded this and again asked for their thanks to be passed onto the staff for the excellent results.

Minute 45/19 Jonathan Card circulated minutes from the recent Complaints Panel hearing; as yet there had been no response from the tenant involved.

Agenda item 14 Date of next meetings

Minute 46/19 Audit Committee meeting will be held on Thursday 21st February 2019 at 6.15pm.

Minute 47/19 The next Board meeting will be held on Tuesday 19th March 2019 starting at 6.15pm

Minute 48/19 The meeting ended at 9.10 pm