

Board meeting minutes

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

held on Tuesday 19th March 2019 at 6.15 p.m.at

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

Board members in attendance Simone Bailey (via conference call)
Barry Luhmann (via conference call)
Julian Miles (Chair)
Sally Rice
Sheila Sackey (via conference call)
Peter Voisey (Co Vice-Chair)
Lucy Worrall

Also present Jonathan Card (Chief Executive)
Andrew Shiatis (Finance & Resources Director and
Company Secretary)
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 88/19 Apologies for absence were received from Shehla Husain (Board member), Seema Jassi (Board Member) and Vivienne Astall (Operations Director).

Minute 89/19 There were no declarations of interest.

Minute 90/19 Health & Safety – there were no matters to note.

Agenda item 2 Minutes of Board meeting held on 24th January 2019 Minutes of the Audit & Risk Committee held on 21st February 2019 Matters arising and actions

Minute 91/19 An amendment was agreed to minute 31/19 adding “and will be duly arranged” to the end of the paragraph. The Board approved the minutes from the Board meeting held on 24th January 2019.

Minute 92/19 Minutes of the Audit & Risk Committee were reviewed. **Action: Jonathan Card to bring the results of the risk appetite session from the 4th February 2019 to the July Audit & Risk Committee meeting.**

Minute 93/19 The minutes from the meeting held on 21st February 2019 were approved.

Matters Arising and Actions

Minute 94/19 The matters arising and actions were taken as read and there were no further comments made.

Agenda item 3 Chief Executive's Report including development & growth, governance & delegated authorities

- Minute 95/19 Jonathan Card presented his report to the Board. He advised with regard the Norbury Avenue s106 scheme, there had been a lack of progress with the developer since the scheme was granted planning permission and Keniston would be unlikely to proceed with this.
- Minute 96/19 Bickley site acquisition from Stonewater – Jonathan Card advised that the exchange was unlikely to happen on 22nd March as there were still some due diligence and contract issues to be sorted. It was noted that all parties were committed to trying to reach exchange of contracts as soon as possible, with an anticipated completion date of 13th May. It was noted that the transaction would need to be authorised through the urgency panel before exchange.
- Minute 97/19 Consultations have begun with staff and residents at the site and a meeting with both would be arranged for early April. There are still a few issues regarding the Biomass boiler and the PV panels, these are currently being reviewed and discussed with our advisors. The contracts for both the boiler servicing and supply of the pellets used in the boilers would be novated across to Keniston as of completion.
- Minute 98/19 Jonathan Card confirmed that the sale of the freehold at 65 Elliott's Row was set to take place on 20th March 2019.
- Minute 99/19 Stage 2 complaint – Jonathan Card advised that the complaints panel had heard a complaint from a leaseholder. It was noted that that the leaseholder was willing to accept the outcome of the panel and a compensation payment had been sent to her.
- Minute 100/19 Delegated authorities – Jonathan Card highlighted the amendments to the delegated authorities list, he said that most of the changes were due to the update in the rules. The delegated authorities were approved by the Board.
- Minute 101/19 Proposed infill development at the Darrick Wood estate – Jonathan Card advised that a newsletter was being circulated to residents responding to the petition that had been received with regards to the proposed development of site 1 at Darrick Wood. He advised that there will also be consultation with residents prior to the planning application being submitted to the council.
- Minute 102/19 Jonathan Card presented the additional paper which had been drafted by our development consultants, Red Loft and which had been circulated to the Board prior to the meeting. He advised that this paper would normally be taken to the Development Committee but timings did not allow this. Jonathan Card advised that this was an interim paper and that a further report will be submitted for the next Development Committee meeting. This paper sets out where Keniston are in terms of the proposed infill development at Darrick Wood and seeks the expenditure approval of up to £124,914 (plus VAT) from the Board; this amount primarily comprises the survey and consultant fees incurred to date on the project.
- Minute 103/19 Sally Rice commented that she thought the timescales of the project seemed quite tight. Jonathan Card said that he would liaise with Red Loft and the Architects regarding this.
- Minute 104/19 It was probable that separate planning applications would be submitted to the council for the 2 potential sites. This would be discussed in more detail

at the next Development Committee meeting.

Minute 105/19 Jonathan Card advised that he was confident that grant funding from the GLA would be approved and that in addition to this Keniston together with Red Loft were exploring the possibility of further funding from Bromley Council which could enable conversion of some of the Shared Ownership units in the current development proposal to affordable or social rent.

Minute 106/19 The Board agreed to the proposed expenditure of £124,914 (plus VAT).

Agenda item 4 Annual Pay Award

Minute 107/19 Jonathan Card presented his paper to the Board which represented the annual review of staff remuneration.

Minute 108/19 Keniston staff present at the meeting left the room whilst the Board discussed the matters within the report. Upon return it was noted that the Board had agreed a 2.25% basic salary pay award for staff (excluding those subject to the London Living Wage provisions) and that any non-consolidated payments being received by staff would remain but would be halved for the coming year. Jonathan Card thanked the Board on behalf of the staff.

Agenda item 5 Policy review – Rent Policy & Rent Plan 2019

Minute 109/19 Jonathan Card presented the review to the Board, he advised the Board of a typo within paragraph 3.10; the figure within the report of 18 properties let under the Affordable Homes programme 2016-21 should have read as 3 properties. He highlighted the changes that had been made to the rent policy and asked the Board for formal approval of the amendments.

Minute 110/19 Andrew Shiatis advised that Keniston rent review date was the first Monday in August each year and as such the last 1% rent reduction would still be included in the August 2019 review.

Minute 111/19 The Board formally approved the Rent Policy & Rent Plan 2019.

Agenda item 6 Asset Management including 2019/2- programme and Burnhill House fire safety update

Minute 112/19 Tony Coward presented his reports to the Board. He explained that he needed Board approval for the stock reinvestment programme for 2019/20 and that a decision needed to be reached by the Board on the fire safety strategy at Burnhill House. It was noted that the proposed stock reinvestment programme currently includes a provision for the installation of a sprinkler system at Burnhill House. Tony Coward had commissioned two separate fire safety reports and that neither of the reports showed significant areas of concern. The Board agreed that installation of sprinklers would not proceed at this stage but the situation would be reassessed as findings emerged from the Grenfell Tower enquiry.

Minute 113/19 Tony Coward advised that benchmarking of Keniston's expenditure on stock reinvestment was carried out on an annual basis. Although, on average Keniston's spend is slightly higher than the benchmark, this was linked to the use of better quality materials and higher quality work. This in turn

created savings in other areas. **Action: It was agreed that further discussions on this and other benchmarking would be had at this year's Board Away Day.**

Minute 114/19 The Board approved the proposed stock re-investment programme.

**Agenda item 7 Budget 2019/20
Long Term Financial Plan**

Budget

Minute 115/19 Andrew Shiatis 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. He also advised that two budgets had been prepared, one which incorporated and one excluded the current ongoing Stonewater stock transfer, so that either budget could be adopted depending on whether the transfer completes or not.

Minute 116/19 Andrew Shiatis stated that after allowing for the £327k profit on sale of flat 3 65 Elliott's Row in last year's figures and the £136k surplus included in this year's figures in relation to stock to be transferred from Stonewater, the budget showed a slight decrease in surplus compared to forecast for the current year. This was primarily as a result of a higher than average stock re-investment spend in the current budget, additional interest payable on the new Clydesdale loan facility, proposed salary increases and the 1% reduction in rent.

Minute 117/19 Andrew Shiatis advised that a 2.2% inflation rate had been used in the budget and that a 4% uplift had been included for salaries which would therefore provide an allowance for staff bonuses. He explained the key features of the budget as set out in his report, highlighting that the Stonewater stock transfer surplus was based on an estimate of the costs required to run the scheme.

Minute 118/19 The Board approved the budget for 2019/20.

Long Term Plan

Minute 119/19 Andrew Shiatis 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 2018, the forecast outturn for the year to 31 March 2019 and the budget for the year to 31 March 2020. He advised that this was a 30 year plan and that this maintained a strong focus on stock reinvestment.

Minute 120/19 Andrew Shiatis 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 to 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 121/19 It was noted that the refurbishment of 2 further units at Hayles Street had been retained within the plan.
- Minute 122/19 Andrew Shiatis highlighted that the Association's aspirations to build 100 units over the next 5 years as per its 2019-2023 development strategy, had been reassessed in light of the potential stock acquisition from Stonewater of 120 units. Together with the proposed 38 units as part of the Darrick Wood infill development, he highlighted that there was still financial capacity to develop a further 25 units but that this would push the long term plan extremely close to its limits, and that a further 15 units would be more comfortable / realistic for the association. He also highlighted that since the proposed Darrick Wood infill development included a significant reliance on Shared Ownership sales, the timing of this additional 15 units would need to be carefully considered and should not be committed to until there was more certainty over the first tranche sales.
- Minute 123/19 Andrew Shiatis 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 the Stonewater stock acquisition, the proposed Darrick Wood infill development and the development of 15 additional units as outlined above. It was noted that the plan was primarily susceptible to an increase in the gap between RPI and CPI, an increase in interest rates and a drop in the anticipated sales margin on the share ownership properties included within the proposed Darrick Wood development.
- Minute 124/19 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 125/19 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 Satisfaction Survey**
- Minute 126/19 Jonathan Card presented this report to the Board. He explained that he was particularly pleased with the overall satisfaction score which had remained at 95% and the net promotor score which had increased from +60 to +65. The report highlighted some areas the Association needed to focus on. Jonathan Card advised that the information will be reviewed further by the Management Team and followed up in due course.
- Minute 127/19 The Board agreed that these were excellent results and asked for their thanks to be passed on to the staff.
- Agenda item 9 Directors' and Officers' Liability Insurance**
- Minute 128/19 Andrew Shiatis reported that in line with last year 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.

- Minute 129/19 Andrew Shiatis stated that in the previous year the Board had decided not to purchase an additional top up cover which could be made available exclusively to the Association. The Board agreed that the Association did not need to purchase the additional top-up cover for the coming year.
- Minute 130/19 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 131/19 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.

Agenda item 10 Pension Consultation

- Minute 132/19 Andrew Shiatis presented this report to the Board, which highlighted the result of the recent staff consultation, following the Board's proposal at the January 2019 Board meeting to close the two final salary sections held under the Social Housing Pension Scheme, ("SHPS") and to offer alternative membership of the SHPS defined contribution section at enhanced rates. It was noted that there was an error on the report in terms of the contribution levels being offered to these employees coming across from the Final Salary schemes.
- Minute 133/19 The Board considered the results of the consultation and ratified their proposal as outlined above. It was confirmed that staff would be made aware of this decision and that the Pension Trust would be notified accordingly.

Agenda item 11 IT Road Map

- Minute 134/19 Andrew Shiatis presented this report to the Board. It was noted that as part of our strategic plan, Keniston identified the need to establish an IT Strategy and digital inclusion plan. To this end 3C Consulting, a specialist housing IT consultancy which focuses in particular on providing advice to smaller HAs, were asked to perform an overview of the technology that the Association currently has in place and to provide an option appraisal of the most appropriate ways to move this forward. From this review Keniston has now developed a more robust and forward looking IT Road Map, to enable IT investment decisions to be aligned with overall strategic goals.
- Minute 135/19 It was noted that the different strands of the plan are to some extent interdependent, and that delivery would depend on a number of factors, some of which are outside Keniston's control. As shown in the Road Map, delivery will also require better usage of internal resources and also bringing

in the right external resources to support project delivery. For these reasons, in a number of cases the projected timescales were noted as indicative and subject to change.

Minute 136/19 It was also noted that as at the end of October 2018, Keniston had managed to obtain charity pricing from Microsoft which has significantly improved the financial viability of its cloud based infrastructure options.

Andrew Shiatis reported that after trialling the Convene portal at the October 2018 board meeting, due to the large number of other projects running at Keniston at the moment, the roll out was currently being delayed.

Agenda item 12 Company Seals

Minute 137/19 The Board agreed that the Association's seal would be affixed to the sale of the freehold at 65 Elliott's Row.

Minute 138/19 The Board agreed that the Association's seal would be affixed to the appointment of the architects for the Darrick Wood development.

Minute 139/19 The Board agreed that the Association's seal would be affixed to the building contract for Kitchen replacements at Silver Court.

Agenda item 13 Any Other Business

Minute 140/19 Julian Miles asked all members to return any outstanding related party forms to Andrew Shiatis as soon as possible.

Minute 141/19 Andrew Shiatis advised that there were no entries in the fraud register over the past year.

Agenda item 14 Date of next meetings

Minute 142/19 The next Board meeting will be held on Thursday 16th May 2019 starting at 6.15pm

Minute 143/19 The meeting ended at 8.50 pm