

BOARD MEETING

**Minutes of Board Meeting held at 5:15 pm
30 November 2011, Georgian Room, Kendal Town Hall, Kendal**

- Present:** Mary Dowling (Chairman)
John Short (Vice Chairman)
Peter Kuit
David Richardson
Joan Chadwick
Charles Howarth (arrived part way through meeting)
Janet Cherry
David Vatcher
Councillor John Holmes
Councillor Andy Shine ~~Councillor~~
John Stanton
- Officers:** Peter Thomas - Chief Executive
David Stubbs - Director of Operations
Russell Clarke – Director of Asset Management
Lindsay Simons – Interim Director of Finance
Alison Kinnon- Housing Manager
Sue Boulton – Business Support Manager
Angela Tunnicliffe – Minutes Secretary
- Guests:** David Tolson – Managing Director, David Tolson Partnership
Catherine Hand– Partner (Trowers & Hamblins)
Councillor Peter Thornton – (Housing Portfolio Holder part of meeting)
- Apologies:** Councillor Philip Dixon
Steve Fox – Tenant Services Authority
John Mansergh - Performance Manager
John Maguire

NO	<u>TITLE OF MINUTE</u>	ACTION
	The Chairman welcomed to the meeting David Tolson,(Managing Director, David Tolson Partnership), Catherine Hand (Partner, Trowers & Hamblins) and Councillor Peter Thornton (Housing Portfolio Holder).	
1086	DECLARATIONS OF INTEREST	
	None were declared.	
1087	MINUTES OF LAST MEETING	
	The minutes of the meeting held on 20 October 2011 were accepted as a true record.	
1088	MATTERS ARISING	
	The Board noted the progress on the Action Proforma on matters arising from the last Board meeting. The following matters were highlighted:	

Minute 1048	NFA submission to the CLG Committee to be emailed to Directors	ACTION CAT
Minute 1069	Joan Chadwick asked whether there was any further information regarding the 400 properties where SLH was unable to make contact during the door knocking campaign. The Housing Manager said that housing management staff were continuing to make contact as part of their programme of home visits.	AK
Minute 1080	Chief Executive and team to consider a revised target for the production of minutes	PT

1089 CHAIRMAN'S REPORT

Housing Strategy

The Chairman reported that the recent Housing Strategy had been published 'Laying the Foundations; A Housing Strategy for England' and this would have a bearing on SLH after March 2012.

The Chairman announced that unfortunately John Maguire was standing down due to health reasons and on behalf of the Board the Chairman conveyed thanks and best wishes to John.

RESOLVED: - That the Board note the Chairman's report

1090 CHIEF EXECUTIVE'S REPORT

Council decision on transfer

Following the Chief Executive's briefing on the results of the transfer (84.5% of tenants in favour), Councillor Thornton reported that there had not been a single vote against transfer at the Council Meeting on 29 November 2011. The Council decision was an 'historic and sobering moment'. It recognised that transfer had tenant support and that it was the right thing to do in current circumstances. The key question was 'Can we trust South Lakes Housing' and the feeling was SLH was a safe pair of hands.

The Chairman commented that this was a major vote of confidence in South Lakes Housing and she gave the Board's commitment to deliver on the Council's aims and objectives. The Chairman said that she hoped that the established partnership with the Council would continue and the Board were determined to do a first class job for tenants and repay the Council's confidence in SLH.

Supporting People Update

The Chief Executive reported that an enhanced housing management service would be introduced from April 2012 and SLH staff were generally positive about the new ways of working and opportunities to improve the service. Arrangements had been made to discuss the plans further with both staff and tenants affected.

Peter Kuit asked if there would be an increase in overheads that with the loss of Supporting People funding. The Director of Operations replied there will be some contraction of service but the Supporting People has been a contracting and increasingly unreliable form of funding which could have either been withdrawn or reduced at any time. The enhanced housing management service would be provided by housing benefit would be a more secure source of funding.

David Richardson asked if there were in staff implications with regards to

Supporting People. The Housing Manager reported that the funding was going to be withdrawn from the out of hours mobile service and alternative arrangements to redeploy the Scheme Managers were being examined.

ASBO

The Chief Executive commended Bev Townley and Louise North who were instrumental in gathering the necessary evidence to get the application to court. A letter had also been received from the Police Superintendent congratulating SLH on the success of the hearing.

The Housing Manager added that this was the first Anti Social Behaviour Order issued by Kendal Magistrates Court.

Housing Strategy Launched

This strategy was launched on 21st November with the key highlights for Board interest being new build indemnity scheme to provide up to 95% loan to value mortgage, freeing up of public sector land, encouraging private sector entrants to the social housing market, new deal for older people's housing, doubling the current average Right to Buy discount and further details on the Housing Revenue Account Reform.

Localism Bill receives Royal Assent

This Act was intended to give councils more freedom from central control and giving more power to communities.

A new Regulatory Framework for social housing

The Tenant Services Authority (TSA) will be disbanded in March 2012 as regulation shifts to the new independent regulation committee in the Homes and Communities Agency (HCA).

Councillor Thornton commented that he received a lot of emails with regards to the housing shortage. There was a need for more houses to be built and this was endorsed by the unanimous Council vote on 29th November. On January 18th the Housing Allocation Policy would be going to full Council showing 6000 potential sites for re-development with 35% of houses being made available for affordable housing. Councillor Thornton said he wanted to see SLH at the forefront and the challenge for SLH was to get ready to start talking to developers.

Charles Howarth arrived.

Councillor Shine asked if various monies held with SLDC such as the VAT shelter could be used to support SLH development. He hoped that SLDC would use imaginative ways to help SLH deliver SLDC's most important policy objective. Councillor Thornton said that he would broach this with SLDC but would need the backing of SLH in helping to deliver the number one Agenda of dealing with the housing shortage.

Peter Kuit commented that the planning process could be protracted and could add to delays in meeting housing need.. David Vatcher said that South Lakeland comprised over 3 different planning areas which would add to the complication of planning permission.

The Chairman said that the allocations and planning processes were challenges that SLH was prepared to deal with in order to make an effective contribution to meeting housing need in the District

RESOLVED: - That the Board note the Chief Executive's Briefing.

1091 HOUSING TRANSFER

The Chief Executive presented a report which provided an update on the Housing Transfer Project. The project was on track and that productive negotiations had taken place earlier that day with SLDC. SLH were now preparing for the TSA registration and Steve Fox of the TSA would conduct a site visit to take place on 6th and 7th December.

RESOLVED:- That the Board note the progress made to date with the Housing Transfer Project plan

Councillor Thornton left the meeting.

1092 TRANSFER AGREEMENT – VERBAL UPDATE

Catherine Hand gave a verbal report on this occasion reflecting what had been discussed in the meeting that day with SLDC. A written report would be presented to the next Board in January.

CH

The negotiation meeting discussed partnership working between SLDC/SLH. Terms had been agreed in a number of areas, such as in relation to the treatment of rent arrears.

The IT SLA would be up to a 12 months term with the Income Management Service SLA over the same period or until a new process was in place. SLA's for HR and Legal would be for a minimum of 2 years. Ongoing discussions were taking place with regards to grounds maintenance. Councillor Shine suggested that as the contract for grounds maintenance was with SLDC once transfer had taken place could SLDC not appoint SLH as an agent giving a direct line to the contractor? Catherine Hand said that this was being looked at as there was a strong SLH desire to make the grounds maintenance contract work more effectively through direct leverage on the contractors

Charles Howarth said that monitoring of the contract had been a concern for tenants for some considerable period.

Councillor Holmes commented that it made sense for SLH to be in control of the contract and Catherine Hand said a partial assignment was being looked into.

The Chairman asked if there were any TUPE implications with regards to taking on staff in relation to the SLA's. The Chief Executive replied that there were no deferred TUPE implications in relation to the SLA's with SLDC discussed so far.

RESOLVED:- That the Board note the update and receive a full report to the next meeting including a progress report on grounds maintenance

CH

1093 VALIDATION REPORTS

The Interim Director of Finance updated Directors on the Validation of the Stock Condition Survey by Rand Associates. A draft report had been received which confirmed there was sufficient provision and she was not expecting any issues. Rands had been liaising closely with Savills and the report was expected in the next week or so.

A few areas of risk had been identified with regard to the Business Plan one of which was a Business Plan for the DLO, but this was not deemed necessary to complete prior to transfer. Overall the Business Plan was accurate and the

assumptions were realistic. There was a sensitivity to Right To Buy (RTB) and negotiations with SLDC earlier that day had focused on RTB and clawback provisions. The figures negotiated were based on a proportion or variable (major repairs) and fixed (management) costs and confirmed that the Business Plan could withstand a number of sales going through.

ACTION

Councillor Holmes said that in simple terms, if SLH lost a house to RTB it needed to be replaced and funds would help to build new units.. Catherine Hand said that the Government Housing Strategy was unclear about like for like replacement and further details would be known in December. The Chief Executive informed the Board there was a turnover of 250 units per year and new tenants were not eligible for RTB.

Peter Kuit asked how big a risk it was for the DLO not to have a Business Plan. The Director of Asset Management said the main priority was to provide a service for SLH and then consideration would be made to offer services as long it did not affect the primary role of the DLO. The reviews carried out so far had resulted in advances in technology and efficiencies. The 'healthcheck' results would be brought to the Board post transfer. David Tolson added that SLH know a great deal about the current status of the DLO from previous reviews and that the 'healthcheck brief' would be designed to give added value and this would be better conducted post transfer. The Chief Executive said that there had been 3 external reviews on the DLO by the Audit Commission as well as the 2011 internal review. The Chairman added that the Board would prefer to see an updated Business Plan for the DLO sooner rather than later.

LS

The Interim Director of Finance added that if any Directors would like a copy of the consultants' reports they could be emailed on request.

RESOLVED: - That the Board note the following report

- 1) Business Plan Validation report from Beevers & Struthers
- 2) Valuation of housing stock from Savills
- 3) Validation of Stock Condition survey from Rand Associates
(when available)

LS

1094 INTEREST RATE PRESENTATION

David Tolson gave a brief presentation on interest rate management and the need to convert some of the loan to fixed rates.

It was usual to have 'tranches' of the debt fixed for different periods and by examining the Business Plan and running different scenarios it was possible to achieve an optimum approach on interest rate managements

Councillor Shine asked if there was a cycle of inflation rates over say 10 - 15years and David Tolson replied that fixed interest rates currently are at their lowest and variable rates are even lower. Even with this situation, there were still choices to be made as to the balance between fixed and variable debt.

David Tolson said that consideration was also needed for 'forward fixing' to deal with the fact that the loan is drawn down over a period of time. The Interim Director of Finance added that funders have an influence on the adopted strategy.

The Chairman commented that a lot of skills and expertise was required in this area and David Tolson said that most Housing Associations have a Treasury Retainer service.

The Chairman thanked David Tolson for his presentation.

RESOLVED: That the Board note the presentation and that Adrian Jolliffe would be presenting the Treasury Management Strategy to the February Board

ACTION
AJ

1095 QUARTER 2 MANAGEMENT ACCOUNTS 2011/12 YEAR TO END

The Interim Director of Finance reported the year to date financial position as a surplus of £236K. More details had been presented in this report as the December Finance & Procurement Committee had been cancelled but in future the more detailed report would go to the Finance Committee.

John Short commented that there had been no report on rent arrears for 5 months to the Finance & Procurement Committee. The Interim Director of Finance said that the latest rent arrears report would be sent to Directors.

LS

John Short also asked (quoting from a published article) if SLH was getting bad more debt relief orders. The Director of Operations replied that at present it was limited and manageable but could become more prolific.

Peter Kuit asked about the adverse variance income driven by the delayed start of some of the major project works. The Director of Asset Management said that he was drawing together an urgent planned works and that this would be under control by the year end.

John Stanton commented on the adverse variance of £99K on response repairs when the last six months are usually higher than the first. The Interim Director of Finance said this would be compensated by an underspend on cyclical; there were also some miscodings but the two budgets would be managed together for the remainder of the year.

RESOLVED:- That the Board note the positive year to date financial position.

1096 QUARTER TWO REPORT – 2011/12 DELIVERY PLAN AND PERFORMANCE INDICATORS

The Chief Executive reported the progress made on the Delivery Plan including the materials arrangement through Wolseley which was now 'live'. There was also good progress on accommodation and a firm of property consultants had been appointed to advise on solutions. With regard to the removal of asbestos in voids there was now an undertaking to remove less asbestos based on risk and John Stanton said he was pleased to see there was a more pragmatic approach.

The Director of Operations reported that there had been a reduction in the percentage of rent loss through empty properties due to the removal of School Knott Close properties from rent roll. John Short queried the increase in current rent arrears as a percentage of annual debit and the Director of Operations said that this was usual for this time of year. Once the Supporting People funding comes in technical arrears will be worse as Housing Benefit will be paid four weekly in arrears. A 'notional arrears system' which was being introduced should satisfy SLH requirements.

David Richardson asked if 'Housemark' benchmarking could be used against RP's and this was confirmed.

With regard to the asbestos survey Peter Kuit asked how many properties were left to be done and the Director of Asset Management replied there were 300 to be done which would equate to about 15% for the current year.

RESOLVED: That the Board note progress at the end of Quarter 2 against the 2011/12 Delivery Plan and Performance Indicators.

ACTION

1097 RESIDENTS QUESTIONS

A Residents questions had been received with regard to what would happen now that the results of the ballot were known and what was needed to prepare for the transfer?

The new official transfer to the new style South Lakes Housing was due to take place in Spring 2012, including finalising funding and registering with the TSA.

A full response will be published on the website.

CAT

1098 TENANTS COMMITTEE REPORTS

RESOLVED:- That Tenants' Committee minutes be noted.

1999 HEATING CONTRACT UPDATE

The Director of Asset Management presented a report following the previous audit of the heating contract. There needed to a development plan to improve the operational management of the contracts and procurement of a new arrangement.

David Richardson asked about the length of the contract. Director of Asset Management responded that it depended whether SLH adopt a framework agreement or carry out our own procurement process. The framework agreement would carry a maximum term of 4 years. Procuring our own arrangement means that SLH has much more flexibility about the term of the contract.

There would be two Tenant Representatives and a Board Director required to support the project and procurement of the new heating contract and service review. The Board proposed John Stanton as the Board representative for this process.

JSt

RESOLVED:- 1) The Board noted the detail and contents of the report

The Board were asked to agree the following actions:-

- 2) To extend the current arrangement to allow the OJEU compliant tendering of an inclusive heating maintenance and installation contract
- 3) To procure an OJEU complaint contract using advisors to assist us with the process (including TSA compliant involvement with the tenant group).
- 4) To implement staff and operative training in respect of the new contract arrangements
- 5) To implement an annual review and benchmarking of the service with the Director of Asset Management to present the findings to the Board.

2000 PHOTOVOLTAIC PANELS DECISION UPDATE

The Director of Asset Management reported that there was pressure on the contractor to deliver as many photovoltaic panels as possible before 12th December but that panels not delivered in time would still more than pay for the investment.

RESOLVED:- That the Board note the Director of Asset Manager's comments.

2001 BOARD, TENANTS' COMMITTEE AND BOARD COMMITTEE DATES FOR 2012

Councillor Shine asked about the commencement time of Committee meetings. The start time was usually 4pm or 5 pm.

RESOLVED:- That the Board approve the proposed meeting dates.

2002 MEMBERSHIP OF BOARD SUB COMMITTEES

The Chairman and Vice Chairman presented a report indicating the membership for each Committee. More thought would be given on identifying champions for board issues.

There was some discussion on the number of members on each Committee and the Interim Director of Finance confirmed that a third of membership was required for the meetings to be quorate.

RESOLVED:-

- 1) That the Board approve the membership and chairing arrangements for each of the new Board Sub Committees including nominating a Vice Chairman at the first meeting
- 2) That the Board endorse the other proposals in the paper to ensure the effective operation of the Sub Committees.
- 3) That the effectiveness of the working arrangements for the revised sub-committees (including membership) be reviewed in May 2012

2003 ANY OTHER BUSINESS

John Short reported that NPS had prepared maps of the transfer which was available to District Councillors and wondered if it was appropriate for the Board to have copies.

Charles Howarth added that Tenants' Committee would like copies too.

PT

The Chief Executive confirmed that copies of the CD would be distributed and that if any Directors had any queries to let the Chief Executive know by early January 2012 as this information was part of the legal transfer.

PT

All to note

Councillor Shine said that he had noted the extent to which SLH was using consultants to support its activities. He appreciated that some usage was essential during the transfer process but queried the use of consultants for non-transfer activities. The Chief Executive and Director of Asset Management confirmed that use of consultants was kept to a minimum by SLH and used only to enhance existing skills or fill gaps on a short term basis. The Management Team keep the use of consultants under continuous review.

2004 DATE OF NEXT MEETING

Thursday 19th January 2012 in the Georgian Room, Kendal at 5.15 pm